

#1

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 11:38:16 AM
Last Modified: Tuesday, January 30, 2018 11:43:57 AM
Time Spent: 00:05:41
IP Address: 75.36.244.163

Page 1

Q1 First Name (Optional)

Ron

Q2 Last Name (Optional)

Edwards

Q3 Organization (Optional)

CKA Nursery

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please consider the addition of a Cottage nursery license. There are a lot of breeders and clone sellers who have only sold \$15,000 to \$50,000 of product per year. Mainly local seed sales. The current cost for full compliance licenses and fees in Mendocino combined with the State is \$15,000. A LOT has been overlooked when it comes to smaller nursery operators like myself. Seed sales, as well as a path to farmers market events, is key to the slow time when a nursery is not selling plants. I would be glad to attend in Sacramento if you feel my input would in fine-tuning the Nursery license, ckanursery@gmail.com

#2

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 11:32:51 AM
Last Modified: Tuesday, January 30, 2018 12:12:56 PM
Time Spent: 00:40:04
IP Address: 47.208.146.15

Page 1

Q1 First Name (Optional)

Mark

Q2 Last Name (Optional)

Lovelace

Q3 Organization (Optional)

LPG Consulting

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

The Cannabis Advisory Committee should take a position on the omission of the one-acre cap from the final regulations, as it has a dramatic impact on the number of independent businesses that the State's finite market can support.

The market for legal cannabis in California (as opposed to that which leaves the State through the black market) is estimated to be only 2.5 million pounds per year (current Statewide consumption as stated in the SRIA prepared for CDFA's regulatory program).

Legalization for adult use is anticipated to increase consumption by less than 10%, to around 2.75 million. Of this, it is anticipated that 30% of demand will continue to be supplied by the black market, reducing the size of the market that is available to legal producers to a little under 2 million pounds.

Applying standard productivity figures, this amount of cannabis could be produced by less than 700 acres of outdoor cultivation, or less than 250 acres of mixed-light cultivation, or less than 200 acres of indoor cultivation.

Allowing licensees to aggregate multiple licenses far in excess of an acre greatly reduces the number of producers that can be accommodated in this fledgling market, which will lead to fewer, bigger businesses, increasing market consolidation, and reduced consumer choice.

Simply put, there is no more critical issue for this subcommittee, or the Advisory Committee as a whole, to deal with at this moment.

#3

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 1:37:20 PM
Last Modified: Tuesday, January 30, 2018 1:42:38 PM
Time Spent: 00:05:17
IP Address: 97.86.158.233

Page 1

Q1 First Name (Optional)

William

Q2 Last Name (Optional)

Lampkin

Q3 Organization (Optional)

OldManOfTheSeaGenetics

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

If I am to understand correctly, I have to pay tax to have my crop transported to market. Will I have to make a cash payment? Is the distributor buying my crop or merely transporting it for sale

#4

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 2:01:55 PM
Last Modified: Tuesday, January 30, 2018 2:08:22 PM
Time Spent: 00:06:26
IP Address: 159.83.136.3

Page 1

Q1 First Name (Optional)

Robert

Q2 Last Name (Optional)

Vaughn

Q3 Organization (Optional)

RLCCA

Q4 Title (Optional)

Southwest Regional Director RLC

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Why are we not just taxing the end product that will be sold to the customer? And why are you not taking into consideration the smaller grower Look at craft beer that only thing Growers and Government alike should be concerned with is quality and purity. Look at the craft Beer industry.

#5

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 2:12:24 PM
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Time Spent: 00:01:54
IP Address: 47.35.59.169

Page 1

Q1 First Name (Optional)

Jeff

Q2 Last Name (Optional)

Nunes

Q3 Organization (Optional)

None

Q4 Title (Optional)

Court appointed cannabis expert

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Proud to be able help in any way possible.

#6

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 2:14:31 PM
Last Modified: Tuesday, January 30, 2018 2:14:34 PM
Time Spent: 00:00:03
IP Address: 47.35.59.169

Page 1

Q1 First Name (Optional)

Jeff

Q2 Last Name (Optional)

Nunes

Q3 Organization (Optional)

None

Q4 Title (Optional)

Court appointed cannabis expert

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Proud to be able help in any way possible.

#7

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 2:10:55 PM
Last Modified: Tuesday, January 30, 2018 2:34:26 PM
Time Spent: 00:23:31
IP Address: 108.160.36.40

Page 1

Q1 First Name (Optional)

ron

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

A california cannabis cultivator

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee**Q6** Feedback for Subcommittee

There was a market and cultivation of cannabis taking place when you put your rules into effect. Changing these existing operations only means difficulty especially when the 'state' makes these changes. It would have been nice if you had stuck to the original wording of prop 64. It stated you were not going to allow Large Corp. growers. Well, I see that you have disregarded this and will allow Large operations after all. Not just that but you do not allow the grower to get paid for his commodity until the distributor is paid. This will only lead to a bottle-neck here. The distributor could charge more or want more from one grower than the other. Or the distributor could 'hold-up' distribution of some and distribute product from others because they paid more or something under the table. This has happened already with the Teamsters. You are asking for corruption here. Not only are you adding an extra step, an added expense, but this distributor is not a necessary operation as the grower could > SUPPLY < the product to the dispensary which in effect act a distributor. Do you really want to have an extra step, an added expense, that could lead to some form of wrongdoing?

#8

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 4:48:40 PM
Last Modified: Tuesday, January 30, 2018 5:06:38 PM
Time Spent: 00:17:58
IP Address: 216.7.77.230

Page 1

Q1 First Name (Optional)

Jerry

Q2 Last Name (Optional)

Munn

Q3 Organization (Optional)

First Cut Farms

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

1. A nursery license should NOT be required to sell seeds.

2 A cultivation tax imposed on cultivators is unfair and bad business. Cultivators should not get taxed on wholesale products. A flat tax regardless of how much the product sold for is disproportionate and bad business. When indoor product sells for 2000 a pound and outdoor is 700 a pound a flat tax is unjustified and bad business.

#9

COMPLETE

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Time Spent: 00:03:16
IP Address: 172.58.33.220

Page 1

Q1 First Name (Optional)

Kevin

Q2 Last Name (Optional)

O'Callaghan

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Retail supplies, equipment, and property is already taxed. Some of these growers have grandchildren in college.

#10

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 5:29:57 PM
Last Modified: Tuesday, January 30, 2018 5:32:48 PM
Time Spent: 00:02:50
IP Address: 12.173.120.170

Page 1

Q1 First Name (Optional)

Jimmy

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

California Cannabis Company

Q4 Title (Optional)

Partner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please consider reducing the 600 foot boundary to help show the public that Cannabis is not as harmful to humans as much as alcohol and tobacco is. Even to 500 feet would help with the education process.

#11

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 30, 2018 8:55:36 PM
Last Modified: Tuesday, January 30, 2018 9:03:14 PM
Time Spent: 00:07:37
IP Address: 73.151.79.96

Page 1

Q1 First Name (Optional)

Gary

Q2 Last Name (Optional)

Jost

Q3 Organization (Optional)

Trico Welding Supply

Q4 Title (Optional)

Sr. Marketing Manager

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Since public safety is paramount, there should be some guidance surrounding the quality of gases used for cultivation. Currently there are no regulations as to the grade or contaminants within those grades. The plants absorb CO2 and any other contaminate that is in the CO2. This is a safe product if you use certified Food Grade or better. Many growers are using CO2 generators. These burners create by products which could be considered unhealthy for the workers as well as the general public that consumes the cannabis. I am available to answer any questions you may have. gary@tricowelding.com

#12

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 31, 2018 11:45:21 AM
Last Modified: Wednesday, January 31, 2018 11:47:50 AM
Time Spent: 00:02:28
IP Address: 108.230.92.131

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

Lower the taxes, licensing fees & reinstate the 1acre cap. Give small farms, which this industry was built upon, a fighting chance. The tax structure from cultivation to retail is so high, it's going to keep the black market thriving.

#13

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 31, 2018 12:45:08 PM
Last Modified: Wednesday, January 31, 2018 12:50:53 PM
Time Spent: 00:05:45
IP Address: 75.150.232.109

Page 1

Q1 First Name (Optional)

Jordan

Q2 Last Name (Optional)

Zoot, CPA

Q3 Organization (Optional)

aBIZinaBOX Inc. Cannabis Practice Group

Q4 Title (Optional)

Managing Director - CEO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

California Cannabis Cultivation – Qualification as Farming

The issue becomes important for Cannabis Cultivators to be able to take advantage of favorable depreciation treatment contained in the recently passed Federal TCJA Legislation.

The classification of cannabis cultivation as “agricultural activity” or farming would appear to be a simple question. However, upon investigation, the treatment is far from clear, particularly due to a near century-long “War on Drugs” with a particular fixation on hemp and cannabis by the Federal government[i]. The Congressional Research Service published a report entitled “Hemp as an Agricultural Commodity in March 2017[iii] and Section 7606 of the Farm Bill of 2014[iv].

The Federal Government has long taken a uniquely harsh position the treatment of expenditures associated with drug trafficking[v]. IRC Sec. 280E provides

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"No deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted."

The drafters of the statute could never have contemplated the current situation where cannabis is legal for medical use in the majority of states, for recreational use in an increasing number of states, and remain illegal under the Federal statute. There was a period of relative calm after the issuance of the Cole Memorandum and the IRS Chief Counsel Memorandum ["CCM"]^[vi]. However, Attorney General Jeffrey Sessions rescinded the Cole Memorandum^[vii] with the release of Dept. of Justice Press Release 18-8 in early 2018. The release provides:

"The Department of Justice today issued a memo on federal marijuana enforcement policy announcing a return to the rule of law and the rescission of previous guidance documents. Since the passage of the Controlled Substances Act (CSA) in 1970, Congress has generally prohibited the cultivation, distribution, and possession of marijuana.

In the memorandum, Attorney General Jeff Sessions directs all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities. This return to the rule of law is also a return of trust and local control to federal prosecutors who know where and how to deploy Justice Department resources most effectively to reduce violent crime, stem the tide of the drug crisis, and dismantle criminal gangs.

"It is the mission of the Department of Justice to enforce the laws of the United States, and the previous issuance of guidance undermines the rule of law and the ability of our local, state, tribal, and federal law enforcement partners to carry out this mission," said Attorney General Jeff Sessions. "Therefore, today's memo on federal marijuana enforcement simply directs all U.S. Attorneys to use previously established prosecutorial principles that provide them all the necessary tools to disrupt criminal organizations, tackle the growing drug crisis, and thwart violent crime across our country."

While there have been numerous statutes enacted which could have further targeted cannabis [ADD LINKAGE FROM EXISTING LEGISLATION TO SIC CODES.

The NAICS Division A – Agriculture, Forestry and Fishing ^[viii] provides for a Major Group: 01 – Agricultural Production Crops^[ix] where "General Farms, Primary Crop^[x]

Background on Cannabis Cultivation as Farming in California

The earliest reference to cannabis as an agricultural crop we were able to locate was in 1979, the agriculture commissioners of three north coast counties – Mendocino, Trinity, and Del Norte – decided to include the crop in their annual crop reports. "It was such an obvious part of the economy of the counties," said Morse, elaborating that in order to underscore the crop's importance, Trinity County officials put the outline of a cannabis leaf of the cover of the crop report.

That year, Trinity County officials included marijuana in their report under "nursery products," which also included timber and Christmas trees. Based on "known plantings" and estimated to be 10 percent of the total crop grown, officials listed a total of 6,000 pounds at a value of \$650/lb. in the county, giving a total estimate of \$3.9 million as a tenth of the county's cannabis product. This would imply the total was closer to \$39 million, compared with around \$50 million in all other agricultural production. Officials noted the crop was not reported separately so as to "avoid disclosure of confidential business data of individual growers."

In Mendocino County, officials provided a "preliminary" estimate of local cannabis production, putting the figure at \$90 million in value, compared with \$128.5 million in timber and \$9.6 million in fish for the year 1979. In a March 1980 Associated Press article, then county Ag Commissioner Ed Eriksen is quoted as saying "just because it's illegal doesn't mean it's not an agricultural crop and part of the county's economy." Eriksen explains he was inspired by Del Norte's report, which put that county's marijuana valued at \$700,000 with a street value of \$2 million as 10% of the estimated total.

When asked why the reporting only occurred one year, Morse said the three commissioners "had gone out on a limb and had their

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hands slapped – the message was sent out that this was not an agricultural commodity to be reported.” However, Morse said he thought it was possible that future county crop reports could ultimately include estimates of the value of local cannabis production.

The Medical Marijuana Regulation and Safety Act, which went into effect Jan. 1, includes a multitude of regulatory procedures involving many agencies, but much of the regulation of cannabis growing will now fall under the Department of Agriculture on both state and local levels. Regulations will include not only compliance with environmental requirements such as the regional water board cultivation permits, but with regulations concerning pesticide use, testing, sales, distribution, and a host of other standards akin to those faced by commercial agricultural producers around the state.

The Orange County Register published an article[xi] in 2015 which stated

California’s illegal marijuana production is worth more money than the next five leading crops combined, according to a recent report from the Orange County Register. Using data provided by California’s Department of Food and Agriculture and its own calculated estimate of in-state cannabis production, in 2015 the marijuana crop was worth an estimated \$23.3 billion, nearly half of the state’s total cash farm receipts.

Based on the report’s estimations and the 2015 Crop Year Report from the state’s department of agriculture, here’s a look at the values of California’s top commodities:

Marijuana – \$23.3 billion (estimated by the Orange County Register)

Milk – \$6.29 billion

Almonds – \$5.33 billion

Grapes – \$4.95 billion

Cattle, calves – \$3.39 billion

Lettuce – \$2.25 billion

California is known for its agricultural bounty. Over a third of the nation’s vegetables and two-thirds of the country’s fruits and nuts are grown in the west coast state. Gilroy is considered the “Garlic Capital of the World,” grapes cover 45,000 acres of the Napa Valley, and olive and almond trees dominate the state’s Central Valley. In 2015, California’s farms and ranches received approximately \$47 billion for their output. However, according to the newspaper, California’s marijuana crop is the most valuable agricultural product in the entire nation.

To calculate its estimate of cannabis crop value, the newspaper began with the number of marijuana plants that had been seized by law enforcement in 2015, which was 2.6 million. Using the assumption that the seizure of illegal drugs accounts for 10 to 20 percent of drugs produced, a figure provided by the United Nations Office on Drugs and Crime, the paper estimated that a total of 13.2 million marijuana pot plants were cultivated in California in 2015.

Prior to the passage of Proposition 64, the status of medical cannabis was that California defined medical cannabis as an agricultural product. The identification as an agricultural crop does not extend to other areas of the law. For example, cannabis is not an agricultural crop with respect to local “right to farm” ordinances.

Background for California CDFA Authority to Regulate Cannabis

When a state legislature passes—and the governor approves—a law (also known as a statute), this enacts a new program or changes the laws governing an existing program. After the law’s passage, one or more state agencies must adopt new regulations, amend existing regulations, and/or repeal existing regulations to ensure the program runs effectively. the California State Legislature passed the Medical Cannabis Regulation and Safety Act [“MMRSA”][xii] in 2015.

Governor Brown signed the Medical Marijuana Regulation and Safety Act into law on October 09, 2015, and it became effective on January 01, 2016. The Act, composed of 3 bills (AB 266, AB 243, and SB 643) established a licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical cannabis in the State of California.

The Medical Marijuana Regulation and Safety Act established the Medical Cannabis Cultivation Program within the California

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Department of Food and Agriculture to license cultivators, establish conditions under which indoor and outdoor cultivation may occur, establish a track and trace program for reporting the movement of medical cannabis items through the distribution chain, and assist other state agencies in protecting the environment and public health.

The MMRSA tasked the following California Departments with establishing regulations for the medical cannabis industry:

Department of Food & Agriculture – Responsible for licensing cultivators and establishing a track and trace program through the Medical Cannabis Cultivation Program.

Department of Public Health – Responsible for licensing laboratories and manufacturers of products, such as edibles through the Office of Medical Cannabis Safety.

Department of Consumer Affairs – Responsible for licensing transporters, distributors, and dispensaries through the Bureau of Medical Marijuana Regulations.

Subsequently, California voters passed the Adult Use of Marijuana Act (Proposition 64) in 2016, both acts designated responsibilities for oversight of commercial cannabis to several state agencies.

The California Department of Food and Agriculture (CDFA) was granted the authority to

establish a cannabis cultivation licensing process for the state, and

develop a track-and-trace system to record the movement of cannabis and cannabis products through the state's supply chain.

As a result, CDFA created a new division called CalCannabis Cultivation Licensing, which is tasked with overseeing these projects.

On June 27, 2017, California Governor Jerry Brown signed the cannabis trailer bill (also known as California Senate Bill 94). A trailer bill is a legislation that implements specific changes to the law to enact the state budget. Generally, a separate trailer bill is needed for each major area of budget appropriation, such as transportation, human services, education, revenue, or, in this case, cannabis. These bills typically are negotiated as part of the entire budget package each fiscal year.

In this instance, the cannabis trailer bill effectively merged the two existing cannabis bills—the Medical Cannabis Regulation and Safety Act and the Adult Use of Marijuana Act—into one streamlined bill: the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). Having one comprehensive state law will provide for a more unified and efficient regulatory process governing both medicinal and adult-use (recreational) cannabis.

The State of California defines cannabis as:

“all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code”[xiii]

The State of California defines the term “agricultural activity”[xiv] as:

“the term “agricultural activity, operation, or facility, or appurtenances thereof” shall include, but not be limited to, the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural commodity including timber, viticulture, apiculture, or horticulture, the raising of livestock, fur bearing animals, fish, or poultry, and any practices performed by a farmer or on a farm as incident to or in conjunction with those farming operations, including preparation for market, delivery to storage or to market, or delivery to carriers for transportation to market”.

The State of California provides direction on the definition and scope of cultivation sites in the Proposition 64 Sec. 6.1[xv].

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The types of Cultivation Licenses are contained in BPC Division 10, Sec. 26061[xvi]

The requirements for cannabis to qualifying as “organic” are contained in BPC Division 10, Sec. 26062[xvii]

The designation of County of origin is contained is provided for in BPC Division 10, Sec. 26063[xviii].

Finally, the directive which provides the overarching directive that various aspects of cannabis cultivation are to be coordinated by a broad range of State agencies is provided in BPC Division 10, Sec. 26066[xix].

[i] Cultivation is defined in BPC Division 10, Sec. 26001(l) as “means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis”

[ii] In the Comprehensive Drug Abuse Prevention and Control Act of 1970, 21 U.S.C. §801–971 (1970), (“Controlled Substances Act” or “CSA”), Congress created a regime to curtail the unlawful manufacture, distribution, and abuse of dangerous drugs (“controlled substances”). Congress assigned each controlled substance to one of five lists (Schedule I through Schedule V). See §812 of the CSA. Schedule I includes: (a) opiates; (b) opium derivatives (e.g., heroin; morphine); and (c) hallucinogenic substances (e.g., LSD; marihuana (a/k/a marijuana); mescaline; peyote).

Though a medical marijuana business is illegal under federal law, it remains obligated to pay federal income tax on its taxable income because §61(a) does not differentiate between income derived from legal sources and income derived from illegal sources. See, e.g., *James v. United States*, 366 U.S. 213, 218 (1961). Under the Sixteenth Amendment to the United States Constitution (“Sixteenth Amendment”), Congress is authorized to lay and collect taxes on income. In a series of cases, the United States Supreme Court has held that income in the context of a reseller or producer means gross income, not gross receipts. In other words, Congress may not tax the return of capital. See, e.g., *Doyle v Mitchell Bros. Co.*, 247 U.S. 179, 185 (“As was said in *Stratton’s Independence v. Howbert*, [citation omitted], ‘Income may be defined as the gain derived from capital, from labor, or from both combined.’”); *New Colonial Ice Co. v. Helvering*, 292 U.S. 435, 440 (1934) (“The power to tax income like that of the new corporation is plain and extends to the gross income. Whether and to what extent deductions shall be allowed depends upon legislative grace; and only as there is clear provision therefor can any particular deduction be allowed.”).

[iii] Hemp as an Agricultural Commodity – RL32725 See also Vote Hemp Website

[iv] On February 7, 2014, President Obama signed the Farm Bill of 2013 into law. Section 7606 of the act, Legitimacy of Industrial Hemp Research, defines industrial hemp as distinct from marijuana and authorizes institutions of higher education or state department’s of agriculture in states that legalized hemp cultivation to regulate and conduct research and pilot programs. The text of the House Report on Sec. 7606 is here.

[v] In 1981, the Tax Court allowed an illegal business to recover the cost of the controlled substances (i.e., amphetamines; cocaine; marijuana) obtained on consignment and also to claim certain business deductions (a portion of the rent he paid on his apartment which was his sole place of business, the cost of a small scale, packaging expenses, telephone expenses, and automobile expenses). See *Jeffrey Edmondson v. Commissioner*, T.C. Memo. 1981-623.

In 1982, Congress enacted §280E, which reverses the holding in Edmondson as it relates to deductions other than the cost of the controlled substances.

Under Explanation of Provision, the Senate Report reads as follows: All deductions and credits for amounts paid or incurred in the illegal trafficking in drugs listed in the Controlled Substances Act are disallowed. To preclude possible challenges on constitutional grounds, the adjustment to gross receipts with respect to effective costs of goods sold is not affected by this provision of the bill. S. REP. NO. 97-494 (Vol. I), at 309 (1982). The Senate bill was adopted in conference. CONF. REP. NO. 97-760, at 598 (1982), 1982-2 C.B. 661.

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[vi] 201504011

[vii] Deputy Attorney General Jim Cole in 2013, set forth new priorities for federal prosecutors operating in states where the drug had been legalized for medical or other adult use. It represented a major shift from strict enforcement to a more hands-off approach, so long as they didn't threaten other federal priorities, such as preventing the distribution of the drug to minors and cartels.

[VIII] DIVISION: A — AGRICULTURE, FORESTRY, AND FISHING

This division includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping, and related services.

The classification of agricultural production covers establishments (e.g., farms, ranches, dairies, greenhouses, nurseries, orchards, hatcheries) primarily engaged in the production of crops, plants, vines, or trees (excluding forestry operations); and the keeping, grazing, or feeding of livestock for the sale of livestock or livestock products (including serum), for livestock increase, or for value increase. Livestock, as used here, includes cattle, sheep, goats, hogs, and poultry. Also included are animal specialties, such as horses, rabbits, bees, pets, fur-bearing animals in captivity, and fish in captivity. Agricultural production also includes establishments primarily engaged in the operation of sod farms, cranberry bogs, and poultry hatcheries; in the production of mushrooms, bulbs, flower seeds, and vegetable seeds; and in the growing of hydroponic crops.

Farms are the establishment units generally utilized for the purpose of industrial classification of agricultural production. A farm may consist of a single tract of land or a number of separate tracts which may be held under different tenures.

The classification of agricultural services includes establishments primarily engaged in supplying soil preparation services, crop services, landscape and horticultural services, veterinary and other animal services, and farm labor and management services.

The classification of forestry covers establishments primarily engaged in the operation of timber tracts, tree farms, or forest nurseries; in the gathering of forest products; or in performing forestry services. Logging establishments are classified in Manufacturing, Industry 2411.

The classification of fishing and hunting and trapping covers establishments primarily engaged in commercial fishing (including shellfish and marine products); in operating fish hatcheries and fish and game preserves; and in commercial hunting and trapping.

Establishments which produce agricultural commodities and sell them directly to the general public for personal or household consumption are classified in Major Groups 01 and 02.

[IX] MAJOR GROUP: 01—AGRICULTURAL PRODUCTION CROPS

This major group includes establishments (e.g., farms, orchards, greenhouses, nurseries) primarily engaged in the production of crops, plants, vines, and trees (excluding forestry operations). This major group also includes establishments primarily engaged in the operation of sod farms, and cranberry bogs; in the production of mushrooms, bulbs, flower seeds, and vegetable seeds; and in the growing of hydroponic crops. Seeds of field crops are classified in the same industry as crops grown for other purposes.

An establishment primarily engaged in crop production (Major Group 01) is classified in the industry (four-digit) and industry group (three-digit) which accounts for 50 percent or more of the total value of sales for its agricultural production. If the total value of sales for agricultural products of an establishment is less than 50 percent from a single four-digit industry, but 50 percent or more of the value of sales for its agricultural products derives from the products of two or more four-digit industries within the same three-digit industry group, the establishment is classified in the miscellaneous industry of that industry group; otherwise, it is classified as a general crop farm in Industry 0191. Establishments that derive 50 percent or more of the value of sales from horticultural specialties of Industry Group 018 are classified in Industry 0181 or Industry 0182 according to their primary activity.

[x] Industry: 0191—General Farms, Primarily Crop

Establishments deriving 50 percent or more of their total value of sales of agricultural products from crops, including horticultural specialties, but less than 50 percent from products of any single three-digit industry group.

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[xi] <https://news.medicalmarijuanainc.com/marijuana-far-valuable-agricultural-crop-california-report-finds/>

[xii] Senate Bill 643 passed as part of MMRSA contained language which required through the Medical Marijuana Regulation and Safety Act, that the Department of Food and Agriculture administer the provisions of the act related to and associated with the cultivation and transportation of medical cannabis.

[xiii] BPC Division 10, Sec. 26001(f)

[xiv] Cal. Civ. Code § 3482.5(e) (2013)

[xv] (a) Regulations issued by the Department of Food and Agriculture governing the licensing of indoor, outdoor, nursery, special cottage, and mixed-light cultivation sites shall apply to licensed cultivators under this division. The Department of Food and Agriculture shall have the authority necessary for the implementation of the regulations it adopts pursuant to this division, including regulations governing the licensing of indoor, outdoor, mixed-light cultivation site, nursery, and special cottage cultivation.

(b) The regulations shall do all of the following:

(1) Provide that weighing or measuring devices used in connection with the sale or distribution of cannabis are required to meet standards equivalent to Division 5 (commencing with Section 12001).

(2) Require that cannabis cultivation by licensees is conducted in accordance with state and local laws.

(3) Establish procedures for the issuance and revocation of unique identifiers for activities associated with a cannabis cultivation license, pursuant to Chapter 6.5 (commencing with Section 26067). All cannabis shall be labeled with the unique identifier issued by the Department of Food and Agriculture.

(4) Prescribe standards, in consultation with the bureau, for the reporting of information as necessary related to unique identifiers pursuant to Chapter 6.5 (commencing with Section 26067).

(c) The Department of Food and Agriculture shall serve as the lead agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) related to the licensing of cannabis cultivation.

(d) The Department of Pesticide Regulation shall develop guidelines for the use of pesticides in the cultivation of cannabis and residue in harvested cannabis.

(e) A cannabis cultivator shall not use any pesticide that has been banned for use in the state.

(f) The regulations promulgated by the Department of Food and Agriculture under this division shall implement the requirements of subdivision(b) of Section 26060.1.

(g) The Department of Pesticide Regulation shall require that the application of pesticides or other pest control in connection with the indoor, outdoor, nursery, specialty cottage, or mixed-light cultivation of cannabis complies with Division 6 (commencing with Section 11401) of the Food and Agricultural Code and its implementing regulations.

(Amended by Stats. 2017, Ch. 27, Sec. 47. (SB 94) Effective June 27, 2017. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)

[xvi] (a) The state cultivator license types to be issued by the Department of Food and Agriculture under this division shall include all of the following:

(1) Type 1, or "specialty outdoor," for outdoor cultivation using no artificial lighting of less than or equal to 5,000 square feet of total

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- (1) Type 1, or "specialty outdoor," for outdoor cultivation using no artificial lighting or less than or equal to 5,000 square feet of total canopy size on one premise, or up to 50 mature plants on non-contiguous plots.
- (2) Type 1A, or "specialty indoor," for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.
- (3) Type 1B, or "specialty mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of between 2,501 and 5,000 square feet of total canopy size on one premises.
- (4) Type 1C, or "specialty cottage," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of 2,500 square feet or less of total canopy size for mixed-light cultivation, up to 25 mature plants for outdoor cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.
- (5) Type 2, or "small outdoor," for outdoor cultivation using no artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (6) Type 2A, or "small indoor," for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (7) Type 2B, or "small mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- (8) Type 3, or "outdoor," for outdoor cultivation using no artificial lighting from 10,001 square feet to one acre, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (9) Type 3A, or "indoor," for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (10) Type 3B, or "mixed-light," for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- (11) Type 4, or "nursery" for cultivation of cannabis solely as a nursery.
- (b) Except as otherwise provided by law:
- (1) Type 5, or "outdoor," means for outdoor cultivation using no artificial lighting greater than one acre, inclusive, of total canopy size on one premises.
- (2) Type 5A, or "indoor," means for indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.
- (3) Type 5B, or "mixed-light," means for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, greater than 22,000 square feet, inclusive, of total canopy size on one premises.
- (c) No Type 5, Type 5A, or Type 5B cultivation licenses may be issued before January 1, 2023.
- (d) Commencing on January 1, 2023, a Type 5, Type 5A, or Type 5B licensee may apply for and hold a Type 6 or Type 7 license and apply for and hold a Type 10 license. A Type 5, Type 5A, or Type 5B licensee shall not be eligible to apply for or hold a Type 8, Type 11, or Type 12 license.

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(Amended by Stats. 2017, Ch. 27, Sec. 49. (SB 94) Effective June 27, 2017. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)

[xvii] (a) No later than January 1, 2021, the Department of Food and Agriculture shall establish a program for cannabis that is comparable to the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.)), and the California Organic Food and Farming Act (Chapter 10 (commencing with Section 46000) of Division 17 of the Food and Agricultural Code) and Article 7 (commencing with Section 110810) of Chapter 5 of Part 5 of Division 104 of the Health and Safety Code. The Department of Food and Agriculture shall be the sole determiner of designation and certification.

(b) If at any time preceding or following the establishment of a program by the Department of Food and Agriculture pursuant to subdivision (a), the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.)) authorizes organic designation and certification for cannabis, this section shall become inoperative and, as of January 1, of the following year, is repealed.

(Repealed and added by Stats. 2017, Ch. 27, Sec. 51. (SB 94) Effective June 27, 2017. Conditionally inoperative as prescribed by its own provisions. Repealed, by its own provisions, on January 1 following inoperative date.)

26062.5.

A person shall not represent, sell, or offer for sale any cannabis or cannabis product as organic except in accordance with the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.)), if applicable. A person shall not represent, sell, or offer for sale any cannabis or cannabis product with the designation or certification established by the Department of Food and Agriculture pursuant to subdivision (a) of Section 26062 except in accordance with that subdivision.

(Added by Stats. 2017, Ch. 27, Sec. 52. (SB 94) Effective June 27, 2017.)

[xviii] (a) No later than January 1, 2018, the Department of Food and Agriculture shall establish standards by which a licensed cultivator may designate a county of origin for cannabis. To be eligible for the designation, 100 percent of the cannabis shall be produced within the designated county, as defined by finite political boundaries.

(1) Cannabis shall not be advertised, marketed, labeled, or sold as grown in a California county when the cannabis was not grown in that county.

(2) The name of a California county, including any similar name that is likely to mislead consumers as to the origin of the product, shall not be used in the advertising, labeling, marketing, or packaging of cannabis products unless the cannabis contained in the product was grown in that county.

(b) No later than January 1, 2021, the Department of Food and Agriculture shall establish a process by which licensed cultivators may establish appellations of standards, practices, and varieties applicable to cannabis grown in a certain geographical area in California, not otherwise specified in subdivision (a)

(Amended by Stats. 2017, Ch. 27, Sec. 53. (SB 94) Effective June 27, 2017. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)

[xix] Indoor and outdoor cannabis cultivation by persons and entities licensed under this division shall be conducted in accordance with state and local laws related to land conversion, current building and fire standards, grading, electricity usage, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. State agencies, including, but not limited to, the State Board of Forestry and Fire Protection, the Department of Fish and Wildlife, the State Water Resources Control Board, the California regional water quality control boards, and traditional state law enforcement agencies, shall address environmental impacts of cannabis cultivation and shall coordinate when appropriate with cities and counties and their law enforcement agencies in enforcement efforts.

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(Amended by Stats. 2017, Ch. 27, Sec. 56. (SB 94) Effective June 27, 2017. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)

#14

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 31, 2018 2:16:01 PM
Last Modified: Wednesday, January 31, 2018 2:16:40 PM
Time Spent: 00:00:38
IP Address: 173.14.75.166

Page 1

Q1 First Name (Optional)

Respondent skipped this question

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee**Q6** Feedback for Subcommittee

Bring back the 1-acre cap.

#15

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 01, 2018 1:31:15 AM
Last Modified: Thursday, February 01, 2018 1:43:19 AM
Time Spent: 00:12:03
IP Address: 72.203.114.251

Page 1

Q1 First Name (Optional)

LISA

Q2 Last Name (Optional)

JONES

Q3 Organization (Optional)

Jones Legal Services

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please be mindful that if the criteria for licensing is too onerous for the small cultivator, this will prohibit entry into the regulated marketplace.

#16

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 02, 2018 4:16:58 PM
Last Modified: Friday, February 02, 2018 4:40:39 PM
Time Spent: 00:23:41
IP Address: 68.7.25.139

Page 1

Q1 First Name (Optional)

Thomas

Q2 Last Name (Optional)

Ryden

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Philanthropic Permits

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee**Q6 Feedback for Subcommittee**

Dear Sir,

Your recent announcement of the raising of the size limits of commercial growing operations suggests the state may be anticipating a greater need than it thinks can be met by the anticipated supply provided by the smaller operations. The reason for the perceived increasing popularity may be the "new-cannabis," that is, CBD-rich cannabis. Considerable evidence has accumulated over several decades demonstrating that high levels of THC in cannabis cause mental and behavioral impairments, preventing it from wide-spread acceptance as a recreational drug of choice. CBD counteracts the effects of THC, so that cannabis with adequate representations of CBD may avoid the psychological problems of THC-rich cannabis. Abundant evidence demonstrates that the new-cannabis provides both physical relaxation and mental alertness, conditions that improve mental health. Furthermore, the new-cannabis has few side-effects, comparing favorably to all recreational legal and illegal drugs used in our society. Thus, when news of this new drug becomes widely known, it may rapidly become the recreational drug of choice for, not only Californians, but the world.

The state's originally planned recreational licensing permits clearly anticipated that it would be better to promote small scale commercial farms in preference to permitting big corporations to predominate the market in the first five years. I would like to suggest an additional way to meet the predicted need for producing large amounts of the new-cannabis while avoiding commercial interests: retain one-acre limits on commercial permits but offer a new type of permit that allows philanthropic growing of the new-cannabis.

The philanthropic permits would be analogous to caregiver permits of medical cannabis, but at a range of scales, from backyard

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The philanthropic permits would be analogous to caregiver permits of medical cannabis, but at a range of scales, from backyard gardeners to multi-acre farms. They would allow non-profit growing by volunteers, in order to directly help family, friends, neighbors, and general populations in need with their gifts of time and resources. New-cannabis philanthropist would expect and receive nothing in return for their involvement, except the improved health of their recipients. While non-profit growing has been implicit in cannabis laws since the beginning of legalized medical cannabis, prop 215 allowed caregivers to be compensated for costs of growing, including labor. The philanthropy permits would preclude compensation for such involvement.

Philanthropic permits may be first targeted to individuals most in need of its benefits, especially those who are unable or impaired in providing it for themselves. They include: those with aging diseases (eg, Alzheimer's), physical handicaps, drug addictions (CBD is anti-addictive to all drugs of abuse), homelessness (because they have no place to grow), and others. Prop 64 restricts the number of plants per household to no more than six on one household property, encumbering or preventing philanthropic growing for family, friends, or others in need.

Philanthropy implies certain rules to ensure the health of the recipients. First, the plants must have a certain level of CBD (generally 4 percent or more). Second, the product must not be smoked, but rather consumed orally, most simply, in prepared capsules. Third, all recipients of philanthropic new-cannabis must consume it themselves and agree not distribute it to others. Fourth, those receiving the new-cannabis for drug addiction relief must try to stop consuming the addictive drug that the new-cannabis is intended to replace, including illegal or legal recreational drugs (alcohol, nicotine, and caffeine). That is, philanthropic new-cannabis targets replacement of addicting drugs, rather than adding to the drug load; continued receipt of philanthropic cannabis may require addicts demonstrate progress toward withdrawing from addicting drugs. (My limited experience suggests that addicts frequently are willing to give-up their addictive drugs if new-cannabis capsules are made available on a continuing basis when they are sincerely willing to give up their addictive drugs.)

New-cannabis philanthropy permits would require a new agency to control responsible cannabis production and consumption. This agency organizes specific guidelines for growers and recipients, mediates their transactions, prevents illegal sales, and acts on behalf of the recipients to ensure that the cannabis is grown and consumed in an healthy, environmentally responsible manner. Importantly, the agency would own all plants and products grown under this permit.

The agency would receive product from growers, process it into a safe form for consumption, and responsibly provide it to recipients. Individuals wishing to receive products from the agency would need to make a separate application to receive it in specified amounts. When recipients receive a permit from the agency, they may arrange for a specific grower to specify the grower's product to be received by them. Growers then designate that portion of their product to be distributed specifically to the qualified recipient. Recipients who qualify for a permit to receive product, but do not have a grower specifying them as recipient, may receive products from the agency as they become available in a general pool of product provided by non-specific growers. Philanthropic growers may therefore grow for specific recipients or general recipients. Like the caretaker provisions of prop 215, qualified recipients may provide financial support to growers who specify them as receiving their product to cover costs of fertilizer and other direct expenses specifically attributable to the plants needs, but all financial transactions must occur through the agency.

Since growers do not own the plants, growers act as philanthropic agents for the state, producing new-cannabis for distribution to recipients through the agency. Of course, sale of any product grown under this permit is prohibited. The sole ownership of the plants by the agency allows it to specify genetically appropriate clonal plant lines and seeds to be used and arrange to make these available to growers. The agency may also require that growers conserve natural resources by using organic fertilizers and sunlight and avoid use of electricity whenever possible.

Growers may apply to grow unlimited numbers of plants, since this benefits the overall system. One reason for this is that most philanthropic growers will be new, need to experiment, and should therefore not be constrained by externally imposed limits. They will probably overestimate their potential harvest at the beginning and inadequately provide for their intended recipient(s) because of problems with insects, weather variations, nutrition, etc. The agency maintains tight control over the plants by requiring growers to track-and-trace the plants throughout development and allowing their growing site be inspected by the agency without notice. Refusal to submit to inspection could jeopardize their permit, and the agency could recover the plants at any time. Growers who harvest more product than that needed for their specified recipient(s) would donate their excess to the general pool of product. Growers turn over products to the agency for processing into a healthy, consumable form and distribution to recipients. The agency could be operated by non-grower philanthropists, with oversight by the state. Direct expenses of the grower should not be taxed, and philanthropic permits should be fee-free.

The potential benefits of the new-cannabis are huge, and the needs of our society are great and immediate. Philanthropic growing should be encouraged at any scale that philanthropic growers can sustain, from backyard growing, to cottage situations, to one- or multi-acre farms. Demand for new-cannabis might rise dramatically in the near future, once medical science publicly recognizes the unparalleled mental health advantages of the new-cannabis. The rapid communication in our society could cause needs to rise

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meteorically, over a period of days, yet people will be unable to access them, because, unlike pharmaceutical drugs that our society has become accustomed to, cannabis cannot be produced quickly. Once the demand for the new-cannabis exceeds supply, meeting those further needs will require considerable time. This is because the finest new-cannabis is a consistent product that provides consistent benefits to mental health. People are likely to demand this, but it demands clonal growing. Mother plants from which clones are derived require up to five months to reach maturity and then only provide limited numbers of cuttings for new plants. Thus, even if everything goes well for gardeners and farmers, it surely would take several years to develop acres of clonal crops.

In summary, philanthropic growing permits may be able to partly address an anticipated rise in demand for new-cannabis on a range of scales that would diversify, instead of concentrate, the economy, as was intended with the one-acre caps on farms.

#17

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 02, 2018 5:27:49 PM
Last Modified: Friday, February 02, 2018 5:49:10 PM
Time Spent: 00:21:20
IP Address: 71.84.6.117

Page 1

Q1 First Name (Optional)

Cyndee

Q2 Last Name (Optional)

Smolik

Q3 Organization (Optional)

Best Buds Solutions

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Not sure which will be handling taxes but taxing the dry flowers and taxing retailers for finished products is double taxation. Flowers should only be taxed at the retail level if they aren't going into finished product.

#18

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 02, 2018 5:49:56 PM
Last Modified: Friday, February 02, 2018 5:50:34 PM
Time Spent: 00:00:38
IP Address: 71.84.6.117

Page 1

Q1 First Name (Optional)

Cyndee

Q2 Last Name (Optional)

Smolik

Q3 Organization (Optional)

Best Buds Solutions

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Not sure which will be handling taxes but taxing the dry flowers and taxing retailers for finished products is double taxation. Flowers should only be taxed at the retail level if they aren't going into finished product.

#19

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, February 03, 2018 9:50:20 AM
Last Modified: Saturday, February 03, 2018 9:55:52 AM
Time Spent: 00:05:32
IP Address: 68.123.15.91

Page 1

Q1 First Name (Optional)

Ty

Q2 Last Name (Optional)

Palmer

Q3 Organization (Optional)

BestCannabis

Q4 Title (Optional)

Founder

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please keep the cap on farm size, allowing goodwill and participation of existing grower community. We must transition gracefully, as promised.

#20

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, February 03, 2018 10:43:15 PM
Last Modified: Saturday, February 03, 2018 10:51:47 PM
Time Spent: 00:08:31
IP Address: 47.153.140.8

Page 1

Q1 First Name (Optional)

Kyle

Q2 Last Name (Optional)

Kazan

Q3 Organization (Optional)

N/A

Q4 Title (Optional)

N/A

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

It is vital for the new legal cannabis market to continue to allow the stacking of licenses. The industry will mature quickly and efficiencies are being developed which will hopefully allow California's cultivators to develop national market share after deschedulijg / federal legalization.

Plus these developed efficiencies will lower the costs for consumers which given the taxes may make the difference is quelling the established black market .

#21

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 04, 2018 9:10:09 AM
Last Modified: Sunday, February 04, 2018 9:16:22 AM
Time Spent: 00:06:13
IP Address: 71.94.50.90

Page 1

Q1 First Name (Optional)

Alexander

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee**Q6** Feedback for Subcommittee

Your killing the California business model for marijuana,as it stands no one new will be able to open a shop in 5 years time because a monopoly will be so set it will resemble an oligarchy.....it's terrible your making this a competition when it should be for the benefit of the public good and not just taxes for the government from the biggest company's able to pay them.

#22

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, February 05, 2018 9:27:13 AM
Last Modified: Monday, February 05, 2018 9:51:19 AM
Time Spent: 00:24:06
IP Address: 50.250.197.190

Page 1

Q1 First Name (Optional)

Nancy

Q2 Last Name (Optional)

Belli

Q3 Organization (Optional)

Cannabis Consulting

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

The reality is that cultivators will not manage the cultivation cannabis waste themselves by rendering it neutralized (unrecognizable and unusable) per the State regulations. The State Regulations should require that all cultivation cannabis waste be handled by a third party cannabis licensed waste management company to handle all waste (similar to a standard trash service). This cannabis waste management company MUST have the appropriate cannabis licenses to conduct the business such as a cannabis distribution license and cannabis manufacturing license (processing license). The distribution license will allow the cannabis waste management company to pick up the untreated cannabis since it is still considered cannabis product, and the manufacturing (processing) license will allow the waste management company to render the cannabis product into neutralized cannabis waste. These licenses not only make the cannabis waste management company compliant, but also helps with the track and tracing of all stages of the cannabis product.

If a cultivator does NOT sign up with a cannabis licenses waste management company, then the cultivator must hire a third party consultant to verify their waste is being properly rendered to show to the State. This will avoid any loopholes in which the cannabis product goes undetected.

#23

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, February 05, 2018 2:16:34 PM
Last Modified: Monday, February 05, 2018 2:32:12 PM
Time Spent: 00:15:38
IP Address: 68.98.226.197

Page 1

Q1 First Name (Optional)

Bill

Q2 Last Name (Optional)

Krahel

Q3 Organization (Optional)

OnSite Waste Solutions

Q4 Title (Optional)

President & CEO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Will you consider on-site, dehydration solutions that reduce the marijuana waste streams by 80+%, in both volume and weight, and closes the loop for the Chain of Custody regulations vs. having the marijuana waste hauled to another site? The waste stream is being shredded simultaneously while being dehydrated and can then be blended with food waste to potentially be reused / recycled as a soil-like amendment.

#24

Collector: Web Link 1 (Web Link)
Started: Monday, February 05, 2018 3:15:47 PM
Last Modified: Monday, February 05, 2018 3:16:28 PM
Time Spent: 00:00:41
IP Address: 159.83.252.213

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

Request to have pesticide regulations for cannabis products equivalent to food products.

#25

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 7:45:22 AM
Last Modified: Tuesday, February 06, 2018 8:43:23 AM
Time Spent: 00:58:01
IP Address: 172.242.254.2

Page 1

Q1 First Name (Optional)

Clifford

Q2 Last Name (Optional)

Morford

Q3 Organization (Optional)

Heartrock Inc

Q4 Title (Optional)

Co-owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Cannabis Advisory Committee: Subcommittee Input Survey

Q6 Feedback for Subcommittee

Too much up front taxes, fees, and regulation is preventing many from attempting to comply. This will destroy the small-farm base of the north coast industry. When industry profits are lost to Wall Street, Main Street will suffer.

Timeline: The process takes too long. Every step in the process is delayed by bureaucratic delays, owing to lack of administrative capacity.

Discharge waivers: it would be better if the farmer got licensed, knowing that there are certain conditions, and that an inspection was coming. Be in compliance and it's no harm, no foul. Be inspected and found out of compliance and remediation will likely be costly. It's not fair to make everyone suffer the consequences for the deeds of a few bad farmers. Guilt is presupposed, and one must pay to demonstrate innocence.

Taxes and fees: there are too many front end regulatory fees and taxes. Much better it would be to let a farmer produce something, and then bleed him dry with taxes.

That said, one might think that I don't want to pay taxes. It's quite the opposite. Too many people don't want to pay for the things that we can accomplish collectively, but I do. Wish I had something to say about how we spend it all.

We are determined to bring our business into compliance, working within the framework of the current process. This will make Heartrock one of the few family cannabis farms on the north coast. We hope to do quite well, but will be saddened that all the farmers who risked everything along the way to legalization, will no longer be in the business.

There is one thing—more than all these regulations, taxes, and fees combined—that will pave the way for outside interests to establish large scale operations and eliminate small farms. That is the elimination of acreage cap and allowing licenses to be stacked.

Sincerely,
Clifford Morford
707-621-1776

#26

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 11:14:22 AM
Last Modified: Tuesday, February 06, 2018 11:15:27 AM
Time Spent: 00:01:05
IP Address: 50.250.197.190

Page 1

Q1 First Name (Optional)

Brian

Q2 Last Name (Optional)

Kahn

Q3 Organization (Optional)

Cannabis Operator

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

The regulations need to be updated to properly address who is able to properly manage all the cannabis waste that will be created. More specifically, the regulations need to ensure that if a cannabis operator is going to utilize a third party cannabis waste management company, the cannabis waste management company must obtain the proper cannabis licenses to transport and render the cannabis waste. Any random person or existing trash company CANNOT handle cannabis waste. This cannabis waste management company MUST have the appropriate cannabis licenses such as a cannabis distribution license and cannabis manufacturing license (processing license). Since the product that will be picked up is untreated cannabis product (un-rendered cannabis product), the movement of the cannabis requires a distribution license. The distribution license will allow the cannabis waste management company to pick up the untreated cannabis since it is still considered cannabis product, and the manufacturing (processing) license will allow the waste management company to render the cannabis product into neutralized cannabis waste. These licenses not only make the cannabis waste management company compliant, but also help with the track and tracing of all stages of the cannabis product through Metrc since all cannabis license holders need to use the track and trace system. The proposed changes will guarantee that all cannabis waste is being handled by cannabis-permitted companies that have extensive working knowledge in the industry. These changes will ensure that all cannabis waste streams are properly identified and documented through the State's Track and Trace System, and ensure all cannabis operators are working compliantly together.

#27

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 1:37:01 PM
Last Modified: Tuesday, February 06, 2018 1:37:29 PM
Time Spent: 00:00:27
IP Address: 64.194.69.71

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. Cultivators Subcommittee

Q6 Feedback for Subcommittee Respondent skipped this question

#28

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 1:50:10 PM
Last Modified: Tuesday, February 06, 2018 1:50:24 PM
Time Spent: 00:00:14
IP Address: 104.35.34.81

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

The taxes are too high.

#29

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 1:58:14 PM
Last Modified: Tuesday, February 06, 2018 2:20:10 PM
Time Spent: 00:21:56
IP Address: 104.255.240.10

Page 1

Q1 First Name (Optional)

Tyler

Q2 Last Name (Optional)

Daly

Q3 Organization (Optional)

Gold Mountain Farms

Q4 Title (Optional)

Owner/Cultivator

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

When I voted for prop 64, I voted for a maximum of 1 acre cap. All that has changed. I'm witnessing a corporate takeover with million sq ft greenhouses going up in Salinas and desert hot springs to name a few. Please re instate the 1 acre cap and the number of cultivation licenses throughout the state. Over production will drive down prices and cultivators won't survive with the current tax structure. Prices need to be set! And a grading system established. Just look at Oregon and it's current market they have a 1 million pound surplus. Please re instate the one acre cap. Thank you for your time.

#30

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 11:52:56 AM
Last Modified: Tuesday, February 06, 2018 2:21:39 PM
Time Spent: 02:28:42
IP Address: 73.93.155.175

Page 1

Q1 First Name (Optional)

Megumi

Q2 Last Name (Optional)

Reagan

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

To Whom It May Concern:

I'm writing you to express concern over cannabis waste regulations. Cannabis waste comes in innumerable forms. I've found that the layman generally associates cannabis waste with leaves, stalks, stems, and other plant and soil byproducts. However, it's important to note that cannabis waste also includes post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items. These streams of waste come from all industry stakeholders: cultivators, manufacturers, retailers, distributors and testing labs. Handling the volume of waste produced by these stakeholders creates an ancillary industry that must be regulated.

The regulations need to be updated to reflect who is qualified to properly manage cannabis waste. The vast amounts of cannabis waste produced by the industry pose a serious risk to public health, specifically children and the disenfranchised, if not handled by properly licensed cannabis waste haulers as opposed to general waste management service providers. Third party cannabis waste management companies must obtain the proper licenses to transport and render cannabis waste. Frequently, cannabis byproduct and waste are indistinguishable from safe-to-consume materials and/or products. To mitigate these risks, limiting the exposure of the public to cannabis waste vis-a-vis safe and sustainable disposal of cannabis waste that has been tracked and traced and handled by licensed cannabis waste haulers is imperative. It will ensure that all ecosystems—the environment, the public and industry stakeholders can successfully co-exist.

Thank you.

#31

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 2:21:46 PM
Last Modified: Tuesday, February 06, 2018 2:21:54 PM
Time Spent: 00:00:07
IP Address: 73.93.155.175

Page 1

Q1 First Name (Optional)

Megumi

Q2 Last Name (Optional)

Reagan

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

To Whom It May Concern:

I'm writing you to express concern over cannabis waste regulations. Cannabis waste comes in innumerable forms. I've found that the layman generally associates cannabis waste with leaves, stalks, stems, and other plant and soil byproducts. However, it's important to note that cannabis waste also includes post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items. These streams of waste come from all industry stakeholders: cultivators, manufacturers, retailers, distributors and testing labs. Handling the volume of waste produced by these stakeholders creates an ancillary industry that must be regulated.

The regulations need to be updated to reflect who is qualified to properly manage cannabis waste. The vast amounts of cannabis waste produced by the industry pose a serious risk to public health, specifically children and the disenfranchised, if not handled by properly licensed cannabis waste haulers as opposed to general waste management service providers. Third party cannabis waste management companies must obtain the proper licenses to transport and render cannabis waste. Frequently, cannabis byproduct and waste are indistinguishable from safe-to-consume materials and/or products. To mitigate these risks, limiting the exposure of the public to cannabis waste vis-a-vis safe and sustainable disposal of cannabis waste that has been tracked and traced and handled by licensed cannabis waste haulers is imperative. It will ensure that all ecosystems—the environment, the public and industry stakeholders can successfully co-exist.

Thank you.

#32

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 2:06:09 PM
Last Modified: Tuesday, February 06, 2018 2:30:33 PM
Time Spent: 00:24:23
IP Address: 23.114.222.160

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

The definition of "canopy" must be revised to include only the area directly under the canopy of a cannabis plant, and not aisles, area between plants, and other areas within a permit foot print that are not actually under a plant canopy. This change is needed to allow cultivators to efficiently manage plants under cultivation utilizing farm equipment rather than arbitrarily forcing cultivators to crowd plants within a defined perimeter. Several counties have adopted ordinances that exclude aisles and spaces between plants from the "canopy" or "cultivation area" for this reason.

Next, "mixed-light" should be redefined to exclude simple use of tarps without artificial lighting. Numerous counties recognize mixed-light as requiring the use of artificial light to produce a second or third yield, but do not consider use of a tarp without artificial light as mixed-light.

#33

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 2:27:57 PM
Last Modified: Tuesday, February 06, 2018 2:34:14 PM
Time Spent: 00:06:17
IP Address: 104.34.165.173

Page 1

Q1 First Name (Optional)

Sean

Q2 Last Name (Optional)

Daly

Q3 Organization (Optional)

Diller farmz

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Us and I speak for all small farmers are now actually black market growers and are already committing crimes. I have to what choice are we being given? Access to licenses at the same cost as opening a shoe store or a book store is what we HAVE TO HAVE NOW! NOT in a few months but now. Do you really expect us to just stop growing a selling weed. I've been in this industry for over 30 yrs and it's finssly legal and we can't be apart of the very thing we built? So now overnight we are criminals. I grow better weed than anyone reading this and I'm supposed to go away. Fuck that noise! Give us a place or we will continue to take away from the legal businesses by selling our product to people with no tax and no tax coming into the state or I

#34

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 2:54:25 PM
Last Modified: Tuesday, February 06, 2018 3:05:46 PM
Time Spent: 00:11:20
IP Address: 67.180.245.237

Page 1

Q1 First Name (Optional)

Jim

Q2 Last Name (Optional)

Coffis

Q3 Organization (Optional)

GreenTrade Santa Cruz

Q4 Title (Optional)

Deputy Director

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Small scale growers, many who have been producing for decades, are being shut out or forced to operate outside of the regulated market by local jurisdictions. The 'specialty cottage license' is a great opportunity to preserve these small scale farmers but because it came so late many counties and cities failed to include it in their deliberations. Anything you can do to encourage inclusion by local authorities would be greatly appreciated.

#35

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 4:03:14 PM
Last Modified: Tuesday, February 06, 2018 4:04:46 PM
Time Spent: 00:01:31
IP Address: 47.145.149.50

Page 1

Q1 First Name (Optional)

John

Q2 Last Name (Optional)

Juarez

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Respondent skipped this question

#36

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 5:12:02 PM
Last Modified: Tuesday, February 06, 2018 5:22:48 PM
Time Spent: 00:10:45
IP Address: 172.58.35.215

Page 1

Q1 First Name (Optional)

ian

Q2 Last Name (Optional)

taylor

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

cannabis market researcher

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

AUMA, MCRSA and MAUCRSA all fail to address how a breeder / seed company can operate legally under the regulations. Is this intentional due to external lobbying pressure, or was it just an oversight made by regulators and lawyers who have no idea about the industry?

Can't make seeds without flowering plants folks, and it's untenable to expect a breeder to fork over \$200 a pound in taxes to create their seeds.

Consider looking at how Colorado has solved for the breeder quandry, as the policies set forth in MAUCRSA cripple this potential job creator and tax revenue generator.

#37

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 6:03:55 PM
Last Modified: Tuesday, February 06, 2018 6:05:38 PM
Time Spent: 00:01:42
IP Address: 107.77.214.202

Page 1

Q1 First Name (Optional)

Tommy

Q2 Last Name (Optional)

D

Q3 Organization (Optional)

WEED GROWER

Q4 Title (Optional)

PM BREEDER

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Regulate and be fair. Avoid the big corps. Stay true to California's OG growers and farmers

#38

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 6:35:12 PM
Last Modified: Tuesday, February 06, 2018 7:52:58 PM
Time Spent: 01:17:45
IP Address: 107.200.44.228

Page 1

Q1 First Name (Optional)

Hannah

Q2 Last Name (Optional)

Nelson

Q3 Organization (Optional)

Hannah L. Nelson Attorney At Law

Q4 Title (Optional)

Mendocino County Working Group Member/Attorney/Cannabis Policy Advisor

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

CULTIVATION SUBCOMMITTEE COMMENTS

I am an attorney who has specialized in cannabis and cannabis related policy for more than 25 years. In 1999, after the California Supreme Court upheld the case I litigated pro bono for nearly three years requiring the first-ever court-ordered return of seized medical cannabis, the then District Attorney, then Sheriff, and I proposed a permitting scheme to the then Board of Supervisors. We were ahead of our time and the matter was not pursued. However, in 2009, I was recruited by Sheriff Tom Allman to help craft the original permitting program in Mendocino County. I have been intimately involved in helping draft cannabis policies and permitting programs ever since. I currently serve on five Mendocino County Working Groups and maintain a practice that assists applicants through the regulatory process at the local and state levels across all agencies. I am excited to see the emerging regulated industry. Given my interaction with local and state agencies as well as applicants, I have discovered numerous issues that are ripe for discussion as the CAC advises the regulatory agencies on non-emergency regulation drafting.

Please note: while some of the comments appear to be the same or similar as those submitted by the Mendocino County Board of Supervisors on behalf of the Working Group, my comments in many instances are different. The intent and substance is the same, but my choice in explanations differ somewhat in items C, D, F G and H.

Cannabis Advisory Committee: Subcommittee Input Survey

Below Items A-H, I have included notes that I wrote and emailed to CDFA after a long telephone conference with the Branch Chief and Counsel on 1/18/18. I have included those notes since it gives a good flavor of the on-the-ground issues that impact cultivators. Some of the topics are dealt with in items A-H and some are not relevant to this process, but might assist the Subcommittee in understanding the types of issues that are coming up daily for applicants.

Thank you for your consideration.

A. Reinstate the One-Acre Cap in line with previous legislation and proposed regulations. The One-Acre Cap was included in MCRSA; it specified a five-year limit in Proposition 64; and the Cap was further codified in the California Department of Food and Agriculture Program Environmental Impact Review. Reinstating the One-Acre Cap is consistent with the requirement that Cooperative Associations be capped at four acres. If the one-acre cap is not implemented for the first five years, the intended benefits of the cooperative associations in Business & Professions Code Section 26222 et. seq., would become meaningless. Furthermore, the failure to institute a lower individual cumulative cap specifically undermines MAUCRSA's intent to allow small farmers five years in which to transition to the regulatory market without the necessity of transforming into (or being bought up by) large scale operations. □

B. Ensure a way for applicants to provide their cannabis business history across different business names, entities and locations in order to qualify for priority standing even if there have been evolutions in the business. □

C. Allow LiveScan CONDUCTED PURSUANT TO LOCAL LICENSING WITHIN 1 Year from State Application to suffice, so long as applicant is still in good standing with local jurisdiction. □ Each cost added to the small farmer is impactful. These farmers have been thoroughly vetted by and must remain in good standing with a local jurisdiction in order to qualify for a state license.

D. Consider applications "complete" even if final documents from outside agencies is not yet in hand if applicant submitted all necessary paperwork to outside agencies and is merely awaiting processing. This specifically relates to extension of Temporary licenses since currently, only if application packet is deemed complete will temporary licenses be extended. Currently, if the final documents are not in hand, the extension will not be granted (though the state cannabis licensing departments will extend the time for submission before kicking out an applicant's package. Please see (attached below) the Notes from my 1/18/18 conversation with CDFA for more info on this item and the challenges applicants face with outside agency delays.

E. Allow changes in submissions without extensive fees, especially for farmers whose entire production could be wiped out in an instant and may need to alter location of garden to avoid contamination, or switch from medical to adult use, etc. As it stands now, fees are charged for every change and some changes require a completely new application, causing small operators unnecessary expenses they can ill afford. □

F. Require one license fee for small farmers both in terms of allowing different cultivation styles (indoor, outdoor, mixed light) and for micro business under one fee rather than separate fees for each license for each cultivation style. □

G. Cultivators Do not get to take full advantage of Transition Period: The law allows a 6 month transition period where A and M can do business with one another but cultivators are disadvantaged because will have to submit complete applications before then. Temporary licenses will expire well before the end of the Transition Period for many cultivators. They will be required to submit annual application materials well before the expiration of the temporary license period. Those applications require them to commit to Adult versus Medical (since they will need separate licenses for each and they will have to list the exact square footage of each). By having to nail this down prior to the end of the Transition Period, Cultivators do not receive the full benefit of the Transition Period that other cannabis activities do. Extending the Temporary Licenses until June 30th would allow cultivators to fully utilize the transition period. □

H. Timing of A/ M Designation For Small Farms: Please consider allowing small farms (as defined by being less than 10,000 square feet) to make Adult-Use or Medical designations when products clear testing. Permitting post-lab testing A or M categorization will allow small farmers to adjust to market demand in either the A or M category so long as the product meets the appropriate testing standard for that category. If the designations are fixed before testing, then an order shortfall due to crop failure of an A designated area would not be allowed to be fulfilled by plants from the M designated area even if the plants were genetically identical and both had been Tracked and Traced. Whether the market will require more M or A plants, place cultivators at a distinct disadvantage in the regulated cannabis industry.

Notes from conference call with Hannah L. Nelson & Acting Bureau Chief of Licensing, Lindsey Rains and Attorney Crystal D'Souza from CDFA on 1/18/18

Request for follow-up

Problem: CDFA staff telling folks they have to only grow 50 plants regardless of square footage under a specialty license. 50 vs. 5000. [CDFA acknowledged problem and said it has been fixed. Agreed that law allows for 50 plants OR 5000 sq. ft.].

Problem: Law allows 6 month transition period where A and M can do business with one another but cultivators are disadvantaged because will have to submit complete applications before then if they want no gap in their Temporary licenses, since the annual application includes a site map requirement that forces the cultivator to designate A and M areas (and also requires two separate

Cannabis Advisory Committee: Subcommittee Input Survey

applications whereas now, under the Temporary License, they can just obtain one A or M for their entire site since A and M can do business with one another until June 30th). This effectively eliminates the benefit of the transition period for cultivators.

POSSIBLE SOLUTIONS:

- a) Extend all Temporary Cultivation Licenses in good standing until after 6/30/18
- b) Delay site plan requirement until after 6/30/18

Problem: How do cultivators figure out A vs M and the amount of square footage they should apply for under each? Given that currently, the areas must remain separate and once a product has been tagged, let's say as M, if it does not sell and it is returned to cultivator or distributor, (and under some other circumstances), it must be destroyed even if it is otherwise no different than the cultivator's A products and there was a market for it if it were re-designated as A.

- a) Farming is uncertain and subject to crop failure.
- b) The market is incredibly uncertain.
- c) There IS an effective way to still Track and Trace and hold all product to a high accountability standard.
- d) Small farmers and outdoor farmers are disproportionately negatively affected by this. If a farmer's M crop is wiped out and they have A crop that is fine and is otherwise the same strain, potency, etc., if they are unable to use the A crop to fulfill the M orders, they will be financially sunk.

It is true that ultimately, we need to get the Legislature to allow especially small cultivators to not have to designate A or M until it reaches the Distribution level. Please support our efforts to lobby the Legislature for such a change. In the mean time, there are things CDFA can do to help:

POSSIBLE SOLUTIONS:

- a) During Transition period (through 6/30), delay implementation of site plan A and M designations.
- b) Do not charge change fees to small farmers needing to change their site and cultivation plan to re-designate A or M areas
- c) Require Metric to allow small cultivators to retire UIDs that were designated A and immediately record them under M (or vice versa) for purpose of re-designation.
- d) Propose changes to legislation to allow small farmers to not have to designate A or M until the distribution level.
- e) Propose changes that would allow A or M product that passed all testing and QA for packaging, labeling etc., but that for one reason or another was not sold as initially packaged, to be returned to cultivator or distributor for re-labeling and re-sale under alternate A or M designation so long as it was Tracked and Traced as designated and it otherwise met all requirements.

Problem: 120 day Temp license won't be extended unless application complete. Not complete if all water & environmental documents are not in hand and submitted.

- a) CDFW normally has to request more info within 30 days and make a determination within 60 days after receipt of that further info. They are now using a technique to ask for more info just at the end of the 30 day period, which then extends the 60 day decision point out. Sometimes they do this multiple times, asking for info in a drip, drip, drip. It winds up sometimes being much longer than the 9-0 days they are allowed by law.
- b) Additionally, CDFW's online portal just went live a few weeks ago and is still not understood.
- c) All cannabis related water regulations were only finalized a month ago.
- d) CDFW is now requiring biological studies = \$5000 plus professionals are booked out some period of time.
- e) CDFW is now claiming nearly any well = jurisdictional. If someone needs to fight it, takes time.
- f) CDFW on-line portal now allows for self-certification if you think you do not need a LSAA/1602. However, we have NO IDEA of how long CDFW will take to review the on-line request. If CDFW determines that the person does need an LSAA, they then have to start by applying for it.

- g) Water Board and CDFW are in conflict over two things:

1. Whether certain water is jurisdictional or not (well, pond, ephemeral water course) and,
2. Forbearance/water storage. Additionally, some might have to go back and file water rights or SUIRs based on an interpretation of CDFW even if the Water Board previously told them (especially prior to October) that the issue was not jurisdictional.

Allegedly, these issues are being worked on by the agencies, though every time I go to a public meeting with one of them, there is never an update with information that these inconsistencies have been worked out. These conflicts cause further delays for cultivators to sign up and/or get determinations. Furthermore, a lot of people who were complying early-on, may have an entirely different situation under the NEW cannabis related water rules. SO, if someone was registered under the North Coast Regional Water Quality Control Board Order from 2015, and at the time they did that, they checked into the water rights issue, and at the time, they did not need an LSAA, they could be now in a completely different scenario based only on the rules changing. They very well might only be finding out about those changes now (if at all).

Cannabis Advisory Committee: Subcommittee Input Survey

POSSIBLE SOLUTIONS:

Extend all Temporary Licenses through 6/30/18 if all materials have been submitted to appropriate agencies.

Next topic: when will you obtain your LiveScan fingerprint code? [CDFA stated they do not know when.]

Next topic: Is there any indication that CDFA will reduce the 2-4 week Backlog of processing applications for Temporary Licenses?

[CDFA stated that they are working best they can.]

Next Topic: We need full example of entire regular/annual application process and requirements. [CDFA stated that there are materials being worked on but no time frame as to when they will be available.]

Next Topic: I have a client who is a very knowledgeable Nursery cultivator and has been quite involved in our local Track and Trace issues as a member of one of our County Working Groups and is now working with a consortium of Nurseries on these issues. Who at CDFA can he speak to about the various Nursery related issues he has found in the rules and in T&T? [CDFA stated that HN can email his contact info to them and they will forward it to the right person or email HN with the info on who to contact].

Next Topic: How can people get technical support with the online system? There seems to be a few bugs where folks cannot change things that need to be changed. [CDFA stated that the person must call the help hotline.]

#39

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 7:44:02 PM
Last Modified: Tuesday, February 06, 2018 7:53:56 PM
Time Spent: 00:09:54
IP Address: 174.214.17.207

Page 1

Q1 First Name (Optional)

Jonathan

Q2 Last Name (Optional)

Braves

Q3 Organization (Optional)

Mothership Remedies

Q4 Title (Optional)

Owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please be open and fair on zoning when it comes to cannabis cultivation. Different counties - even ones that touch each other have completely different rules. Which will ultimately create all sorts of repercussions which can be avoided if a law and/or system is diligently created to serve all counties just about the same. We all want to work together to not only provide relief for our community but also protect our investments, feel protected and give back to the community for the right reasons. Thank you.

#40

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 7:53:13 PM
Last Modified: Tuesday, February 06, 2018 8:01:36 PM
Time Spent: 00:08:22
IP Address: 107.200.44.228

Page 1

Q1 First Name (Optional)

Hannah

Q2 Last Name (Optional)

Nelson

Q3 Organization (Optional)

Hannah L. Nelson Attorney At Law

Q4 Title (Optional)

Mendocino County Working Group Member/Attorney/Cannabis Policy Advisor

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

The last submission was incomplete. This is the complete submission from me for this Subcommittee. Sorry for any inconvenience.

CULTIVATION SUBCOMMITTEE COMMENTS

I am an attorney who has specialized in cannabis and cannabis related policy for more than 25 years. In 1999, after the California Supreme Court upheld the case I litigated pro bono for nearly three years requiring the first-ever court-ordered return of seized medical cannabis, the then District Attorney, then Sheriff, and I proposed a permitting scheme to the then Board of Supervisors. We were ahead of our time and the matter was not pursued. However, in 2009, I was recruited by Sheriff Tom Allman to help craft the original permitting program in Mendocino County. I have been intimately involved in helping draft cannabis policies and permitting programs ever since. I currently serve on five Mendocino County Working Groups and maintain a practice that assists applicants through the regulatory process at the local and state levels across all agencies. I am excited to see the emerging regulated industry. Given my interaction with local and state agencies as well as applicants, I have discovered numerous issues that are ripe for discussion as the CAC advises the regulatory agencies on non-emergency regulation drafting.

Please note: while some of the comments appear to be the same or similar as those submitted by the Mendocino County Board of Supervisors on behalf of the Working Group, my comments in many instances are different. The intent and substance is the same, but

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my choice in explanations differ somewhat in items C, D, F G and H.

Below Items A-V, I have included notes that I wrote and emailed to CDFA after a long telephone conference with the Branch Chief and Counsel on 1/18/18. I have included those notes since it gives a good flavor of the on-the-ground issues that impact cultivators. Some of the topics are dealt with in items A-H and some are not relevant to this process, but might assist the Subcommittee in understanding the types of issues that are coming up daily for applicants.

Thank you for your consideration.

A. Reinstate the One-Acre Cap in line with previous legislation and proposed regulations. The One-Acre Cap was included in MCRSA; it specified a five-year limit in Proposition 64; and the Cap was further codified in the California Department of Food and Agriculture Program Environmental Impact Review. Reinstating the One-Acre Cap is consistent with the requirement that Cooperative Associations be capped at four acres. If the one-acre cap is not implemented for the first five years, the intended benefits of the cooperative associations in Business & Professions Code Section 26222 et. seq., would become meaningless. Furthermore, the failure to institute a lower individual cumulative cap specifically undermines MAUCRSA's intent to allow small farmers five years in which to transition to the regulatory market without the necessity of transforming into (or being bought up by) large scale operations. □

B. Ensure a way for applicants to provide their cannabis business history across different business names, entities and locations in order to qualify for priority standing even if there have been evolutions in the business. □

C. Allow LiveScan CONDUCTED PURSUANT TO LOCAL LICENSING WITHIN 1 Year from State Application to suffice, so long as applicant is still in good standing with local jurisdiction. □ Each cost added to the small farmer is impactful. These farmers have been thoroughly vetted by and must remain in good standing with a local jurisdiction in order to qualify for a state license.

D. Consider applications "complete" even if final documents from outside agencies is not yet in hand if applicant submitted all necessary paperwork to outside agencies and is merely awaiting processing. This specifically relates to extension of Temporary licenses since currently, only if application packet is deemed complete will temporary licenses be extended. Currently, if the final documents are not in hand, the extension will not be granted (though the state cannabis licensing departments will extend the time for submission before kicking out an applicant's package. Please see (attached below) the Notes from my 1/18/18 conversation with CDFA for more info on this item and the challenges applicants face with outside agency delays.

E. Allow changes in submissions without extensive fees, especially for farmers whose entire production could be wiped out in an instant and may need to alter location of garden to avoid contamination, or switch from medical to adult use, etc. As it stands now, fees are charged for every change and some changes require a completely new application, causing small operators unnecessary expenses they can ill afford. □

F. Require one license fee for small farmers both in terms of allowing different cultivation styles (indoor, outdoor, mixed light) and for micro business under one fee rather than separate fees for each license for each cultivation style. □

G. Cultivators Do not get to take full advantage of Transition Period: The law allows a 6 month transition period where A and M can do business with one another but cultivators are disadvantaged because will have to submit complete applications before then. Temporary licenses will expire well before the end of the Transition Period for many cultivators. They will be required to submit annual application materials well before the expiration of the temporary license period. Those applications require them to commit to Adult versus Medical (since they will need separate licenses for each and they will have to list the exact square footage of each). By having to nail this down prior to the end of the Transition Period, Cultivators do not receive the full benefit of the Transition Period that other cannabis activities do. Extending the Temporary Licenses until June 30th would allow cultivators to fully utilize the transition period. □

H. Timing of A/ M Designation For Small Farms: Please consider allowing small farms (as defined by being less than 10,000 square feet) to make Adult-Use or Medical designations when products clear testing. Permitting post-lab testing A or M categorization will allow small farmers to adjust to market demand in either the A or M category so long as the product meets the appropriate testing standard for that category. If the designations are fixed before testing, then an order shortfall due to crop failure of an A designated area would not be allowed to be fulfilled by plants from the M designated area even if the plants were genetically identical and both had been Tracked and Traced. Whether the market will require more M or A plants, place cultivators at a distinct disadvantage in the regulated cannabis industry.

I. Cannabis Events □ The proposed regulations (BCC Proposed Text of Regulations, CCR, Title 16, Section 5602, paragraph (b)) for cannabis events, only allows for sales at a cannabis event to be performed by a retailer or microbusiness. Traditionally, cannabis events and tradeshows have been a mechanism for cannabis farmers, manufactures and nurseries in Mendocino County to showcase quality cannabis product and grow their business. Excluding farmers, manufactures and nurseries from selling their product directly to customers at a licensed cannabis event unfairly harms small businesses. For this reason, Mendocino County requests a provision be added to allow cannabis cultivators, manufacturers and nurseries to apply for a temporary retail seller's permit for cannabis events. □ In addition, we recommend expanding the locations a cannabis event is allowed to operate in as authorized by Section 5601 of the BCC

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proposed regulation. As written, cannabis events would be allowed only at a county fair or district agricultural association. In keeping with the established land use authority of local jurisdictions, we request language be included to allow cannabis events at other venues approved by local jurisdictions. □

J. Distributor/Transport Only License (§ 5308): Please clarify that the following onerous requirements do NOT apply to Distribution/Transporter licenses: B&P Sections 5043-3 □ 5045 Section 5047, and Section 5309. At the very least, these sections should not apply to licensed self-distribution/transport activities. □

Security cameras are intentionally not required for cultivation under CDFA regulations. The rural and expansive nature of most cultivation sites not located in urban areas make the security camera requirement impractical and difficult to comply with. Specifically, many outdoor growers do not have the power source or internet access necessary to comply with the specific camera requirements in the current regulations listed for Distributors.

Given that the Distributor-Transporter-Only licenses were intended to assist cultivators get their product off of their remote farms safely and without causing more impact to rural roads by having full Distributors pick it up, it seems that a common-sense application of the requirements is necessary for this discrete subgroup. Oversight will still be accomplished: All product will be subject to Track and Trace and will be recorded in shipping manifests.

We are requesting that the security camera requirement be interpreted as a requirement that is inapplicable to Distributor-Transport-Only licensees who are obtaining the license for their own cultivation sites. At the very least, please consider postponing the requirement that a site map with the location of security camera placement be submitted in order to obtain a Temporary license.

K. Processing & Packaging License: The draft regulations do not adequately address the need for tiered processing license types, which would facilitate economies of scale for smaller operators, some of whom may be located within a closer geographical vicinity and want to work together on processing.

A. Tiered processing should also be available to Cooperative Associations. □ B. Allow Processing License as one of the three possibilities for microbusiness license.

L. Generators: Amend B&P Section 8306 (d) to read “All generators except those listed in B&P Section 8306 (c) (1) shall be equipped with non-resettable hour-meters.” Many existing sites have small backup generators that do not have an hour counter on them. As is, this section requires cultivators to purchase a new generator -- an unnecessary expense.

M. Canopy: Allow 2500 sq ft for Cottage Outdoor instead of only 25 plants. Define Canopy as the cumulative total square footage as measured by the dripline of each plant.

N. Vegetative Cultivation Waste: Specify that waste removed during vegetative cycle (big leaves and suckers) is not subject to weight requirements unless it is being used for juicing or manufacturing.

a. Specify that such waste MAY be fed to noncommercial livestock onsite as part of diversified farming practices.

O. Weight: Clarify Definitions of Wet Weight vs Net Weight. CDFA needs to provide definitions of these two terms. □

P. Differing Interpretations by State Water Board and California Department of Fish and Wildlife: The State Water Board and CDFW are in conflict over two things: □ 1. Whether certain water is jurisdictional or not (well, pond, ephemeral water course) and, □ 2.

Forbearance/water storage. Additionally, some cultivators might have to go back and file water rights or SUIRs based on an interpretation of CDFW even if the Water Board previously told them (especially prior to October) that the issue was not jurisdictional. These conflicts cause further delays for cultivators to sign up and/or get determinations. Furthermore, a lot of people who were complying early-on, may have an entirely different situation under the NEW cannabis related water rules. SO, if someone was registered under the North Coast Regional Water Quality Control Board Order from 2015, and at the time they did that, they checked into the water rights issue, and at the time, they did not need an LSAA, they could be now in a completely different scenario based only on the rules changing. □

Q. Remove 4-Acre Cumulative Cap for Cooperative Members: Modify B&P Section 26223 (d) to remove limits for association member cultivators under 10,000 sq. ft.

R. Correct B&P Section 26223(c): This section prohibits cooperative association members from having more than one Type 1 or Type 2 license -- not only are both needed in order to participate in both A and M markets, small operators will likely need to diversify by having multiple growing styles (i.e., low wattage mixed light and outdoor) as a necessary survival tactic in the unpredictable emerging market.

S. PEIR : Use of CDFA's statewide Programmatic Environmental Impact Report (PEIR) of November 2017 to set the standard for environmental impact of all cannabis cultivation in all zones where it is allowed.

T. Modify 50 Lb Sample B&P Section 5707(c): Reduce disproportionate cost impact on small batches. Due to storage concerns, the point of taxation, and the prohibition on the distributor's return of product to be resold, Distributors are likely to limit product submissions to small batches unless there is a contract in place for larger quantities. This results in disproportionately higher overall costs since each smaller batch incurs separate testing fees whereas large batch testing will be less expensive. Allow for group batching (i.e. “product

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harvested within 3 calendar days” can equal 1 batch). Allowing for different strains to be under one batch for all testing types but cannabinoids will combine costs and save needed resources for small operators.

U. Track and Trace: There are significant issues that remain to be resolved with the statewide Track and Trace system, particularly with respect to systems compatibility with local Track and Trace Systems operating on differing platforms, as is the case in Mendocino County. Mandatory implementation of dual systems prior to these compatibility issues being resolved is inequitable for affected businesses, particularly in producing regions comprised of legacy small and cottage operators, struggling to afford increasing compliance requirements.

V. Nurseries:

- a. Cottage Nursery License: There are many nurseries that would qualify as a Cottage operation at under 2500 sq ft in size. Most nurseries are trying to be able to expand and will be limited in how many deliveries can be made while still providing clones for the medical retail market. A cottage nursery license level would allow a method to keep the genetic diversity and prevent dilution of the genetics available to the California Cannabis market. With some heavy marketed clones in demand, stress is starting to show up. This would also bring a lot of small nursery consultants and seed vendors into the legal rather than the black market
- b. Designate A or M Plants at the Point of Transfer or Sale : As above with limited space and large orders, it will be important to provide this at the point of transfer. If an order is canceled M, but clones are needed for an A order this will be much harder on the nursery as they have to continue to provide more and more care and space to a plant that has to stay in a specific category
- c. A clear path for direct sales at cannabis events : Direct sales are the opportunity for the Nursery to interact with purchasers without being on a large scale. Nurseries would be able to make direct recommendations as well as sell seeds. Seed sales become very important to help cover cost over the slow months of December through February
- d. Seeds and Track and Trace: Seeds should be allowed to be entered into the T&T system for sale by weight or each. ☐
- e. Nurseries and Flowering Plants: Nurseries should have some ability to flower plants for marketing purposes. This would allow the ability to photograph flowers. This would also allow the nurseries to present aroma and looks of specific Phenotypes. This product would not be for sale ☐

Notes from conference call with Hannah L. Nelson & Acting Bureau Chief of Licensing, Lindsey Rains and Attorney Crystal D'Souza from CDFA on 1/18/18

Request for follow-up

Problem: CDFA staff telling folks they have to only grow 50 plants regardless of square footage under a specialty license. 50 vs. 5000. [CDFA acknowledged problem and said it has been fixed. Agreed that law allows for 50 plants OR 5000 sq. ft.].

Problem: Law allows 6 month transition period where A and M can do business with one another but cultivators are disadvantaged because will have to submit complete applications before then if they want no gap in their Temporary licenses, since the annual application includes a site map requirement that forces the cultivator to designate A and M areas (and also requires two separate applications whereas now, under the Temporary License, they can just obtain one A or M for their entire site since A and M can do business with one another until June 30th). This effectively eliminates the benefit of the transition period for cultivators.

POSSIBLE SOLUTIONS:

- a) Extend all Temporary Cultivation Licenses in good standing until after 6/30/18
- b) Delay site plan requirement until after 6/30/18

Problem: How do cultivators figure out A vs M and the amount of square footage they should apply for under each? Given that currently, the areas must remain separate and once a product has been tagged, let's say as M, if it does not sell and it is returned to cultivator or distributor, (and under some other circumstances), it must be destroyed even if it is otherwise no different than the cultivator's A products and there was a market for it if it were re-designated as A.

- a) Farming is uncertain and subject to crop failure.
- b) The market is incredibly uncertain.
- c) There IS an effective way to still Track and Trace and hold all product to a high accountability standard.
- d) Small farmers and outdoor farmers are disproportionately negatively affected by this. If a farmer's M crop is wiped out and they have A crop that is fine and is otherwise the same strain, potency, etc., if they are unable to use the A crop to fulfill the M orders, they will be financially sunk.

It is true that ultimately, we need to get the Legislature to allow especially small cultivators to not have to designate A or M until it reaches the Distribution level. Please support our efforts to lobby the Legislature for such a change. In the mean time, there are things CDFA can do to help:

POSSIBLE SOLUTIONS:

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- a) During Transition period (through 6/30), delay implementation of site plan A and M designations.
- b) Do not charge change fees to small farmers needing to change their site and cultivation plan to re-designate A or M areas
- c) Require Metric to allow small cultivators to retire UIDs that were designated A and immediately record them under M (or vice versa) for purpose of re-designation.
- d) Propose changes to legislation to allow small farmers to not have to designate A or M until the distribution level.
- e) Propose changes that would allow A or M product that passed all testing and QA for packaging, labeling etc., but that for one reason or another was not sold as initially packaged, to be returned to cultivator or distributor for re-labeling and re-sale under alternate A or M designation so long as it was Tracked and Traced as designated and it otherwise met all requirements.

Problem: 120 day Temp license won't be extended unless application complete. Not complete if all water & environmental documents are not in hand and submitted.

- a) CDFW normally has to request more info within 30 days and make a determination within 60 days after receipt of that further info. They are now using a technique to ask for more info just at the end of the 30 day period, which then extends the 60 day decision point out. Sometimes they do this multiple times, asking for info in a drip, drip, drip. It winds up sometimes being much longer than the 9-0 days they are allowed by law.
- b) Additionally, CDFW's online portal just went live a few weeks ago and is still not understood.
- c) All cannabis related water regulations were only finalized a month ago.
- d) CDFW is now requiring biological studies = \$5000 plus professionals are booked out some period of time.
- e) CDFW is now claiming nearly any well = jurisdictional. If someone needs to fight it, takes time.
- f) CDFW on-line portal now allows for self-certification if you think you do not need a LSAA/1602. However, we have NO IDEA of how long CDFW will take to review the on-line request. If CDFW determines that the person does need an LSAA, they then have to start by applying for it.

g) Water Board and CDFW are in conflict over two things:

1. Whether certain water is jurisdictional or not (well, pond, ephemeral water course) and,
2. Forbearance/water storage. Additionally, some might have to go back and file water rights or SUIRs based on an interpretation of CDFW even if the Water Board previously told them (especially prior to October) that the issue was not jurisdictional.

Allegedly, these issues are being worked on by the agencies, though every time I go to a public meeting with one of them, there is never an update with information that these inconsistencies have been worked out. These conflicts cause further delays for cultivators to sign up and/or get determinations. Furthermore, a lot of people who were complying early-on, may have an entirely different situation under the NEW cannabis related water rules. SO, if someone was registered under the North Coast Regional Water Quality Control Board Order from 2015, and at the time they did that, they checked into the water rights issue, and at the time, they did not need an LSAA, they could be now in a completely different scenario based only on the rules changing. They very well might only be finding out about those changes now (if at all).

POSSIBLE SOLUTIONS:

Extend all Temporary Licenses through 6/30/18 if all materials have been submitted to appropriate agencies.

Next topic: when will you obtain your LiveScan fingerprint code? [CDFA stated they do not know when.]

Next topic: Is there any indication that CDFA will reduce the 2-4 week Backlog of processing applications for Temporary Licenses? [CDFA stated that they are working best they can.]

Next Topic: We need full example of entire regular/annual application process and requirements. [CDFA stated that there are materials being worked on but no time frame as to when they will be available.]

Next Topic: I have a client who is a very knowledgeable Nursery cultivator and has been quite involved in our local Track and Trace issues as a member of one of our County Working Groups and is now working with a consortium of Nurseries on these issues. Who at CDFA can he speak to about the various Nursery related issues he has found in the rules and in T&T? [CDFA stated that HN can email his contact info to them and they will forward it to the right person or email HN with the info on who to contact].

Next Topic: How can people get technical support with the online system? There seems to be a few bugs where folks cannot change things that need to be changed. [CDFA stated that the person must call the help hotline.]

#41

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Page 1

Q1 First Name (Optional)

Respondent skipped this question

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Mendocino Generations

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

February 6th, 2018

Dear Subcommittee Members,

We write to you today, as a group of small farms located throughout Mendocino County, to express our concerns with the current cannabis emergency regulations and are providing input on changes we would like to see made in the new regulations. We are grateful for the opportunity as stakeholders and interested parties to engage in this process. We hope that our suggestions will be considered when drafting the new regulations so that the cannabis-licensing program can operate with efficiency and success.

The largest license type allowed in Mendocino County is 10,000 sq ft of plant canopy. This equates to less than a quarter acre and considered a "hobby garden" by agricultural standards.

State regulations must take the vast disparity in permitted size cultivations throughout the state into consideration as permanent regulations are formulated. Committees must understand the historical significance and economic dependence of counties in the north coast region on cannabis cultivation. Small cannabis farmers need state protection to continue into the regulated and legal era to allow for a viable transition and avoid epidemic bankruptcies, defaults, plummeting property tax revenues and destruction of a unique cultural fabric that can be the regions opportunity rather than its demise.

Various compliance issues imposed specifically on the cannabis industry, and no other agricultural industry in California, by CDFA,

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CWQCB, Cal Fire, CDFW, and a slew of local jurisdictions are simply not viable for small farmers if scale, rural access, cooperative efficiencies and considerations for sustainable methods are not protected by the BCC.

Even though some small farmers may diversify into processing and or low impact manufacturing as regulations allow, our primary concern at this writing is for the small farmer, terrified that their homes, livelihood and decades of investments in the development of methods and genetics will arbitrarily be taken from them by the BCC if the ACA does not act now on their behalf.

Small cannabis cultivators must be afforded the same considerations and protections as other small agricultural endeavors like small vineyards, artisan breweries and related boutique style retailing of their products. As stated in SB94 and its incorporation into Business and Professional Code 26013(c), upon which all cultivators in the state relied under MAUCRSA, "mandate only commercially feasible procedures, technology or other requirements, and shall not unreasonably restrain or inhibit the development of alternative procedures or technology to achieve the same substantive requirements, nor shall such regulations make compliance so onerous that the operation under a cannabis license is not worthy of being carried out in practice by a reasonably prudent business person".

REGARDING CULTIVATION

Mendocino Generations requests that reconsideration be applied for cannabis cultivation licensees operating on farms with less than 10,000 sq ft of cultivation. Small farmers need protections not necessary for large-scale agriculture.

1. REINSTATE THE ONE-ACRE CAP ON ALL CULTIVATION LICENSES GRANTED PRIOR TO JANUARY 1, 2020 Removal of the one-acre cap is contrary to language in MAUCRSA and Prop. 64 and appears to ignore the need for small farmers to transition into a regulatory system.
2. ALLOW CULTIVATORS OF LESS THAN 10,000 sq ft to transport a representative sample to and from testing laboratories Eliminating the requirement that lab personnel travel in remote areas to collect samples is environmentally undesirable as well as prohibitively expensive for small farmers and/or micro businesses.
3. ALLOW CULTIVATORS OF LESS THAN 10,000 sq ft TO TRANSACT DIRECT SALES TO PATIENTS, AT SPECIAL EVENTS, FARMERS' MARKETS, FAIRS AND OTHER VENUES ALLOWED BY LOCAL JURISDICTIONS
4. ALLOW CULTIVATOR OF LESS THAN 10,000 sq ft TO SELF-TRANSPORT TO DIRECT SALES EVENTS
5. ALLOW CULTIVATORS OF LESS THAN 10,000 sq ft TO DELAY DESIGNATION OF "A" OR "M" PRODUCTS UNTIL AFTER TESTING
6. EXTEND ALL TEMPORARY CULTIVATION LICENSES TO JUNE 30, 2018 Extending all temporary permits until Annual Permits are required allows a leveling of applicants. Various state agencies are backlogged, and processing is delayed. Extending temporary cultivation licenses will prevent gaps in licensing and not require state personnel to waste time in extension procedures.
7. REMOVE THE 4-ACRE CAP INCORPORATED IN BUILDING AND PLANNING SECTION 26223(d) FOR COOPERATIVE FARM MEMBERS OF LESS THAN 10,000 sq ft
8. ALLOW MULTIPLE GROWING STYLES, i.e. OUTDOOR, MIXED LIGHT, WITHIN A CULTIVATION LICENSE AS LONG THE AGGREGATE AREA DOES NOT EXCEED THE LICENSE TYPE Small farmers of less than 10,000 sq ft cannot afford multiple licenses to accommodate farming difficulties of crop loss, severe weather and other unpredictable conditions.
9. ALLOW 2500 sq ft OR 25 PLANTS UNDER THE SPECIALTY COTTAGE LICENSE, REGARDLESS OF CULTIVATION STYLE
10. EXEMPT CULTIVATORS OF LESS THAN 10,000 sq ft FROM SECTION 5045 SECURITY GUARD AND CAMERA REQUIREMENTS Remote farms without power and Internet access are unable to comply.
11. COUNT SQ FOOTAGE BY INDIVIDUAL PLANT CANOPY In Mendocino County, each plant is counted by using r2 . Many cultivators space out their cannabis to reduce pests and to ensure healthy plants. It does not seem right to count the perimeter fence of

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their garden sites in the sq footage designation. Please reconsider calculations.

Thank you for your consideration and support,

Audrey's Farm
Big Dirty Farms
Briza Botanicals
Brother Bee Farms
Coastal Ridge Botanicals
Emerald Naga Farms
Empire Gardens
Flatbed Ridge Farms
Fire Flower Farm
Full Sun Farms
Giving Tree Farms
Granny Jacks
Gypsy Wagon Farms
Herbanology Farms
Higher On The Hog Farms
Hummingbird Farms
Laughing Farms
Le Foret
Magnolia & Fig Cultivars
Mendocino Grasslands
Mendocino Organic Medicine
Moongazer Farms
Oak Knoll Farms
One Feather Ranch
Potter Valley Farms
Reach High Farm
River Txai Farms
Sensi Farms
Sun N Moon Ranch
Sunbright Gardens
Sweet Sisters Family Farm
UV Organics

#42

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Page 1

Q1 First Name (Optional)

Katy

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Big Sur Farmers Assc.

Q4 Title (Optional)

Board member

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

We are long time, small scale cultivators from Big Sur trying to be included in the white market. We are fighting for 1and 1c permits for our heritage farms in Monterey county. Large scale commercial sites may have a place in the market but so does the small owner operator farmer. Our farms are known to grow the highest grade pesticide free, sun grown medical cannabis. Nothing can beat our climate, water, strains and knowledge. Let us grow!!!

#43

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Page 1

Q1 First Name (Optional)

Holly

Q2 Last Name (Optional)

Carter

Q3 Organization (Optional)

Redwood Roots

Q4 Title (Optional)

CCO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

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Wet weight tracking for harvest - not necessary Direct METRC to remove that component from their guidelines, instead allow for the harvest designation only

Allow Bifurcation along the supply chain - allow for med/rec to overlap until the distinction becomes needed (dosing, or at retail) - why have the distinction at all at cultivation or other places without needed break in chain? Limits cultivators and manufacturers especially, but also creates overly cumbersome tracking requirements and limits on business operations and costs.

Create A/M license, Increase fee (but less than two licenses)

Indoor carbon footprint

California climate goals

The use of high intensity lighting, disposable soil, and the prevalence of waste accumulated by industrial agriculture

The ability to put cannabis waste into landfills is not in line with waste diversion mandate to reduce waste stream of organics by 50% by 2021 (from 2014)

The definition of "non-manufactured product" is inconsistent over the various regulations - where can prerolls be produced?

Smaller generators dont have hour meters. §8306

Specialty cottage should not have plant restrictions. §

Transportation Appurtenant to smaller tiers of cultivation (to allow processing, manufacturing or distribution) for own product only.

Waste

§ 5055 (a) A licensee may not sell cannabis waste.

A licensee should be able to recoup costs for transfer of waste that is to be further processed, or may credit producers in returned product.

Waste should and can be re-utilized without diversion into a "black market" by converting it into other products, such as hempcrete, compost, paper, and perhaps some fibers or feedstock. Prohibiting such activities will discourage cradle to grave research and encourage egregious waste.

Track and trace concerns.

Access to internet is limited, and should be able to be (not to mention limited access issues). Weekly or bi-weekly tracking is sufficient, esp for full season/dep gardens and smaller scaled operations

Testing allowance, for pre testing, etc: just track it

Movement of material to labs for pre testing, to distro/lab?

Allowance for "research" material, non commercial amounts to be transferred to a status in track and trace that allows for testing, R&D, sales samples (could be tracked as to where it went) and personal consumption by producer.

Wet weight tracking is cumbersome.

If the regulating agencies are concerned with diversion, they could ask for sample sets of producers who would do this tracking as research basis, but the variation in growing styles and harvest methods will likely yield inconsistent results for enforcement ability.

#44

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Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

State Regulation Amendment Requests:

- 1.Determine canopy of plants based on each plant and do not include pathways in canopy determination
- 2.Lower the cultivation tax and base it on a percentage rather than fixed dollar amounts
- 3.Order more track and trace tags since there seems to be only a limited number
- 4.Remove the 4-acre cap on Co-Ops
- 5.Reinstate the acreage cap on licenses
- 6.Remove the requirement that all activities of a micro business license occur on the same premises. Many cultivators in rural counties will not be able to comply due to zoning restrictions. Consider opening up packaging, processing and/or manufacturing to other zoning districts as there are any extremely limited amount currently available. Perhaps allow outside dense residential areas?
- 7.Remove Track and Trace requirements of weighing wet weight at harvest. This requirement does not make sense since the cannabis will change greatly in weight once it is fully dried. Weather (hot and dry vs rainy) will also greatly affect wet weight so there will be no benefit to a wet weight as it's completely arbitrary. Each plant and strain will vary in terms of how much moisture is lost in the curing

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process. Therefore for cultivators selling dry product, require a dry weight amount to be entered and not wet weight of the entire plant.

8. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sq ft canopy size, outdoors should match.

9. Monitor the testing prices being set by each lab. These costs are WAY too high for any small specialty cottage cultivator to be able to afford. Especially if cultivating 25 plants, at \$600-\$1000 per batch test, cultivators will struggle greatly to afford these prices for testing.

The regulatory expansion related to testing is going to either push prices higher which will make it not accessible for lower income patients and consumers or force small farmers to cultivate the same strain in a batch to try and save the margin.

For small batch cultivators, if you produce 3 units in a batch these testing costs of \$600-1000 per batch (or \$200-333 per unit) plus the flat cultivation tax rate of \$148 per unit is now nearly reducing the margin for the cultivator to a net negative.

10. Set eco-friendly standards for packaging to lessen the industry's impact on consumer waste in California.

11. Please remove the Camera regulations for small cultivators especially in rural counties such as Mendocino County. Small farms off grid with limited access to internet if any will have a serious hardship in complying with this standard. Perhaps a game camera could qualify for this regulation. This should also be considered for micro-business farms that are located in rural areas.

12. Allow people/companies with multiple permits to process all cannabis at one location. This will reduce having to setup and maintain multiple processing locations and equipment and lessen environmental impacts.

13. Remove the 25 plant count for specialty cottage license and instead use 2500 sq feet or at the very least allow the option of either 25 plants OR 2500 sq ft

14. Allow cultivators to process their own cannabis onsite under home-occupation as long as it meets the requirements of local county and city building codes etc.

16. For micro-business, allow direct sales at farmer's markets or events or other non-store front retail to count as a retail use, and allow distributor-transport only to count as distributor use... this will allow more cultivators to apply for a micro-business if they live in rural areas where zoning will not allow for retail locations or full distribution.

17. Support direct local sales through expanded venue allowances for cannabis events

18. Allow the cultivation license to be transferable in the event of a land sale. Allow an optional "inactive" status for cultivation licenses that would keep the license valid even if not in use. The investment required to comply and obtain a cultivation license is a direct investment to property making it part of the asset. The ability for a small farmer to succeed in this new market place is unknown at best and if they should choose to not participate their investment needs to be protected.

19. Allow the storage of cannabis to include cargo containers with a length of 40 feet.

#45

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 8:59:07 PM
Last Modified: Tuesday, February 06, 2018 8:59:28 PM
Time Spent: 00:00:21
IP Address: 162.201.66.29

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Cultivators Subcommittee**

Q6 Feedback for Subcommittee

Cultivation Sub-Committee

- 1.Determine canopy of plants based on each plant and do not include pathways in canopy determination
- 2.Remove the 4-acre cap on Co-Ops
3. Reinstate the acreage cap on licenses
4. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sq ft canopy size, outdoors should match as well
5. Allow cultivators to process their own cannabis onsite under home-occupation in a bedroom that is an accessory structure to a residence as long as it meets the requirements of local county and city building codes etc.
6. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sqft canopy size, outdoors should match.
7. Allow people/companies with multiple permits to process all cannabis at one location. This will reduce having to setup and maintain multiple processing locations and equipment and lessen environmental impacts.

#46

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 9:33:31 PM
Last Modified: Tuesday, February 06, 2018 9:35:14 PM
Time Spent: 00:01:42
IP Address: 184.63.249.150

Page 1

Q1 First Name (Optional)

Charles

Q2 Last Name (Optional)

Sargenti

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

1. Determine canopy of plants based on each plant and do not include pathways in canopy determination
2. Remove the 4-acre cap on Co-Ops
3. Reinstate the acreage cap on licenses
4. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sq ft canopy size, outdoors should match as well
5. Allow cultivators to process their own cannabis onsite under home-occupation in a bedroom that is an accessory structure to a residence as long as it meets the requirements of local county and city building codes etc.
6. Remove the 25 and 50 plant count for specialty cottage outdoor and specialty outdoor license types and instead use 2500 sq ft and 5,000sq ft. The corresponding permits under mixed light allow for sqft canopy size, outdoors should match.
7. Allow people/companies with multiple permits to process all cannabis at one location. This will reduce having to setup and maintain multiple processing locations and equipment and lessen environmental impacts.

#47

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 9:32:23 PM
Last Modified: Tuesday, February 06, 2018 9:35:38 PM
Time Spent: 00:03:14
IP Address: 216.7.78.65

Page 1

Q1 First Name (Optional)

Linney

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Only count plant canopy not pathways

#48

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 9:42:11 PM
Last Modified: Tuesday, February 06, 2018 9:42:36 PM
Time Spent: 00:00:24
IP Address: 104.34.122.111

Page 1

Q1 First Name (Optional) Respondent skipped this question

Q2 Last Name (Optional) Respondent skipped this question

Q3 Organization (Optional) Respondent skipped this question

Q4 Title (Optional) Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. Cultivators Subcommittee

Q6 Feedback for Subcommittee Respondent skipped this question

#49

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 9:46:46 PM
Last Modified: Tuesday, February 06, 2018 9:59:34 PM
Time Spent: 00:12:47
IP Address: 67.45.113.170

Page 1

Q1 First Name (Optional)

Lynn

Q2 Last Name (Optional)

Zachreson

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Please, the following concerns are critical to small family farmers:

1. Being able to process (dry, trim, and cure) our own material on our own farms without restrictive building requirements.
2. Tax rates that are tied to a percentage of revenue vs weight.
3. A one acre cap per cultivator
4. Testing requirements that have proportional cost to cultivation size. Many small farmers have 10-20 pound batches of different strains.

#50

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 10:00:14 PM
Last Modified: Tuesday, February 06, 2018 10:02:33 PM
Time Spent: 00:02:18
IP Address: 198.59.53.14

Page 1

Q1 First Name (Optional)

Dustin

Q2 Last Name (Optional)

Moore

Q3 Organization (Optional)

International Cannabis Farmers Association

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Definition Clarity

Comment: Under CDFA's Emergency Rules, new definitions were created for the Cottage Specialty Outdoor and Specialty Outdoor license types. The new definitions impose plant count limits on the Cottage Specialty and Specialty Outdoor license types, eliminating the draft MCRSA regulations square footage allowances. When cultivators are limited by plant count regulatory models, the cultivator is incentivized to grow the largest plants possible to maximize the yield of their crop. This practice drastically increases the amount of 'resources' used during the cultivation of the crop and prohibits the use of cultivation techniques such as light deprivation which is often used to ensure an early harvest, or assist with the timing of a late planting to reduce the amount of water used. Additionally, by limiting Cottage Specialty Outdoor and Specialty Outdoor license types to plant count based systems, farmers who choose to cultivate more than 25 plants but not more than 2,500 square feet, or more than 50 plants but not more than 5,000 square feet, will be forced to obtain Small Outdoor licenses. This will create an inequitable licensing system for California's smallest outdoor farmers. The ICFA is committed to revising these definitions to ensure that the Cottage Specialty Outdoor license allows for the cultivation of 25 plants or 2500 square feet of mature canopy; and that the Specialty Outdoor license allows for the cultivation 50 plants or 5,000 square feet of mature canopy. In addition, ICFA is seeking clarification regarding the Outdoor Cultivation definition. While this definition no longer prohibits the use of light deprivation techniques ICFA is seeking clarity that light deprivation techniques may be used by licensed

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promotes the use of light deprivation techniques, for it is seeking clarity that light deprivation techniques may be used by licensed outdoor cultivators.

LSA / CDFW Comments

Comment: We feel that the timeline set forth to obtain a copy of any final lake or streambed alteration agreement is not realistic to obtain in time for permanent licensing in the spring of 2018. After speaking with numerous stakeholders, it is apparent that the timeline needed to develop a thorough lake and streambed agreement can be a lengthy process. Additionally, if the cultivator applied under the Emergency Tank program, then the cultivator is supposed to await a response from CDFW regarding the development of the lake and streambed agreement. We currently have stakeholders who filed under the Emergency Tank program in 2015 that are just now receiving their LSA agreement.

Additionally, the requirement that the applicant obtain written verification from CDFW that a lake and streambed alteration agreement is NOT required is an unobtainable obstacle to place on cultivators. If CDFA is going to require written verification that a lake and streambed alteration agreement is not required, then the agency should create a form that CDFW signs providing such verification. If CDFW is not willing to sign the form then CDFW's refusal should automatically be assumed as verification. The existing process of submitting a project for review to obtain written verification from CDFW that it does not require an agreement is defined by 10-pages of instruction creating a technological and potentially economic obstacle to compliance.

Generator Requirements

Comment: Many traditional farmers have rural homesteads that are not on the energy grid and use generators as backup energy sources. We would like to see the language pertaining to hour meters either exclude the non-resettable hour meter requirements for generators under 50hp or allow for the installation of aftermarket non-resettable hour meters to be installed since most small generators do not come equipped with non-resettable hour meters.

Cultivation Caps

Comment: ICFA is not in favor of the State implementing a blanket one acre cap. While we recognize that there is a dialogue around the idea that a one acre cap will help to protect the small farmer we have significant concerns that the blanket application of a one acre cap would indiscriminately challenge outdoor and mixed light 1 farmers the most. Ultimately, it is important to understand that the smallest farmers in the State are seasonal farmers which includes both outdoor license holders and mixed light 1 license holders. Applying a blanket one acre cap, would disproportionately limit outdoor farmers, who can only achieve one harvest per season, to 44,000 square feet of annual production vs a mixed light 2, or indoor license holder, who can produce year round and realize 252,000 square feet of annual production.

Additionally, in the Executive Summary for the Environmental Impact Review the State looked at multiple alternatives. On page 13 of the Executive Summary, lines 15 - 24, the No High-Intensity Grow Light Alternative is outlined. On page 14 of the Executive Summary, lines 1 - 17, discusses this alternative as environmentally superior... "From among the alternatives the No High-Intensity Grow Light Alternative is considered environmentally superior. This alternative would focus cultivation activities on outdoor and mixed-light techniques using natural lighting and would prohibit indoor cultivation and some mixed-light cultivation techniques that rely solely or partially on high-intensity grow lights. Therefore, this alternative would lead to a substantial reduction in energy use and related air quality and GHG emissions associated with indoor cultivation. It would also avoid the various fire and health risks associated with indoor cultivation..." Due to the environmental concerns regarding the impacts of high-intensity light use, we respectfully request that CDFA prioritize the issuance of outdoor and mixed-light 1 type licenses. If CDFA does decide to implement a cap, such as a one acre cap, then we respectfully request that any such cap be applied solely to mixed-light 2 and indoor license types only.

A and M licensing restrictions

Comment: While we greatly appreciate the opportunity for cultivators and other licensees to hold both A and M licenses on the same premises, we remain concerned that the restrictions around commingling A and M plant material could lead to surplus in the A or M supply chain while shortages exist in the other. Furthermore, it appears that cultivators holding both A and M licenses will be required to

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have separate track and trace software for each license. As proposed, this framework is over restrictive as well costly. We strongly urge the State to allow cultivators holding both A and M licenses to sell all cannabis plant material into either the A or M market without identifying the plant material as A or M. Cannabis and cannabis derived products should be available to both A and M licenses, processors, manufacturers, distributors, etc. Through entry into the retail space. Cannabis and cannabis derived products should not have to be identified as an A or M product until the product is sold at the retail level. The exception to this approach would be in regards to edibles and other cannabis derived products that have specific dosage allowances for patients.

Security Requirements

Comment: Article 5 in the BCC regulations outlines security requirements for licensees, however there are very few references to security requirements in the CDFA regulations. Is it the intention of the regulatory agencies that Article 5 in the BCC regulations apply to cultivation sites as well? If so, will video surveillance (5044) be required in the cultivation areas? Will cultivators be required to install perimeter alarm systems? Such security requirements could prove costly and burdensome for the small seasonal cultivators. Appropriate security provisions for cultivators are often locally specific and should be largely left up to the local municipality to develop. We would like to request that the CDFA and BCC create an FAQ outlining state security requirement for cultivators. ICFA respectfully requests that the BCC defer cultivation security to the local municipality.

#51

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 10:02:46 PM
Last Modified: Tuesday, February 06, 2018 10:02:51 PM
Time Spent: 00:00:05
IP Address: 198.59.53.14

Page 1

Q1 First Name (Optional)

Dustin

Q2 Last Name (Optional)

Moore

Q3 Organization (Optional)

International Cannabis Farmers Association

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

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Cannabis Advisory Committee: Subcommittee Input Survey

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Cultivation Caps

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have separate track and trace software for each license. As proposed, this framework is over restrictive as well costly. We strongly urge the State to allow cultivators holding both A and M licenses to sell all cannabis plant material into either the A or M market without identifying the plant material as A or M. Cannabis and cannabis derived products should be available to both A and M licenses, processors, manufacturers, distributors, etc. Through entry into the retail space. Cannabis and cannabis derived products should not have to be identified as an A or M product until the product is sold at the retail level. The exception to this approach would be in regards to edibles and other cannabis derived products that have specific dosage allowances for patients.

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#52

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 10:05:45 PM
Last Modified: Tuesday, February 06, 2018 10:07:36 PM
Time Spent: 00:01:50
IP Address: 107.77.223.68

Page 1

Q1 First Name (Optional)

Xavier

Q2 Last Name (Optional)

Laris

Q3 Organization (Optional)

N/A

Q4 Title (Optional)

N/A

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Respondent skipped this question

#53

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 10:37:08 PM
Last Modified: Tuesday, February 06, 2018 10:40:13 PM
Time Spent: 00:03:04
IP Address: 216.7.78.33

Page 1

Q1 First Name (Optional)

Samantha

Q2 Last Name (Optional)

Ward

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Change the requirements from 25 plants to 2500 square feet, and allow cultivators to process their own cannabis on their own property

#54

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 10:50:19 PM
Last Modified: Tuesday, February 06, 2018 10:50:54 PM
Time Spent: 00:00:34
IP Address: 216.7.77.10

Page 1

Q1 First Name (Optional)

Joey

Q2 Last Name (Optional)

G

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

Allow cultivators to process their own cannabis onsite in an accessory structure as long as it meets the requirements of local county and city building codes etc.

#55

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 11:30:02 PM
Last Modified: Tuesday, February 06, 2018 11:41:41 PM
Time Spent: 00:11:39
IP Address: 107.203.111.113

Page 1

Q1 First Name (Optional)

Margaret

Q2 Last Name (Optional)

McNames Dillehay

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

I suggest that a website be created so that the various parts of the cannabis business can indicate their needs to others: for example sellers of cannabis to the public can indicate they need more product by checking a square next to their name and email address, as can manufactures.

Growers can indicate that they have product available and thus get their product to a buyer.

#56

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 06, 2018 11:46:24 PM
Last Modified: Tuesday, February 06, 2018 11:48:12 PM
Time Spent: 00:01:48
IP Address: 71.146.0.203

Page 1

Q1 First Name (Optional)

Genine

Q2 Last Name (Optional)

Coleman

Q3 Organization (Optional)

Mendocino Appellations Project

Q4 Title (Optional)

Executive Director

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

SB94 mandates that CDFA develop and implement two geographical indication programs for California cannabis, the County of Origin program and the Appellations Program.

Recommend the CAC Cultivation Sub Committee works on developing recommendations for these statewide geographical indication programs.

#57

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 07, 2018 7:21:54 AM
Last Modified: Wednesday, February 07, 2018 7:30:40 AM
Time Spent: 00:08:45
IP Address: 97.84.99.102

Page 1

Q1 First Name (Optional)

Joe

Q2 Last Name (Optional)

Cox

Q3 Organization (Optional)

Miss Landing Family Farms

Q4 Title (Optional)

CEO

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

We are a small grow. 100 lights. The way that testing is set up at 1-50 lbs for 600+ dollars is obviously meant to cater to deep pockets newcomers while simultaneously overburdening the little guy. We need to be able to grow a wide variety in order to service our local businesses, but with these testing rates we will be forced to monocrop in order to save money on testing but that means we will have to travel further in order to sell product. Dispensaries don't buy more than one or two of the same strains at a time. This is unfair and must be changed.

#58

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 07, 2018 7:40:29 AM
Last Modified: Wednesday, February 07, 2018 7:41:59 AM
Time Spent: 00:01:29
IP Address: 172.58.31.120

Page 1

Q1 First Name (Optional)

jerry

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

pussy fuck taxes!!!! money hungry ba stards!!!

#59

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 07, 2018 10:57:55 AM
Last Modified: Wednesday, February 07, 2018 11:01:20 AM
Time Spent: 00:03:25
IP Address: 23.119.139.180

Page 1

Q1 First Name (Optional)

Ted E

Q2 Last Name (Optional)

Norton

Q3 Organization (Optional)

10S Corp

Q4 Title (Optional)

owner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Cultivators Subcommittee

Q6 Feedback for Subcommittee

keep minorities in the process ... start a co-op to help